Daily Report

Latin America

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FBIS-LAT 93-052 *19 March 1993*

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Cuba

Proposal Seeks Restructuring of UN Security Council

FL1803154293 Havana Radio Progreso Network in Spanish 1200 GMT 18 Mar 93

[Text] Cuba has asked the special UN charter committee to study ways in which the role of the United Nations could be strengthened, and has asked for a profound restructuring of the UN Security Council. Abelardo Moreno, a counselor to the Cuban mission in the United Nations, presented for committee consideration concrete proposals aimed at reforming the UN Security Council. The Security Council has taken on an importance within the United Nations that may perhaps be disproportionate.

Moreno pointed out that one of the most pressing and serious matters to be discussed is council membership, since it has become evident over the past few years that the privileges enjoyed by certain council members are not justified.

The Cuban document stresses the need for and advisability of eliminating or modifying the advantages that permanent members of the Security Council appropriate for themselves, which infringe on democratic principles. The document, to be submitted at the next session of the General Assembly, also proposes that the current makeup of the Security Council be examined in light of the principle of equitable distribution, taking into account geography and the increase in UN membership.

Moreno emphasized that it should be guaranteed that the Security Council report to the General Assembly, to comply not only with the letter, but also with the spirit, of the pertinent stipulations of the UN charter.

Cuba Requests UN Aid After Winter Storm

FL1903013493 Havana Radio Rebelde Network in Spanish 0000 GMT 19 Mar 93

[Report by Roberto Cavada on the "Exclusive" program]

[Text] Today Cuba requested urgent and prompt humanitarian aid from the international community to recover from the damage caused by the 13 March storm. In this regard, a few minutes ago, after a meeting with all the diplomatic personnel in Havana, the "Exclusive" program asked for exclusive statements from Mr. Joachim von Braunmuhl, the coordinator of the UN Emergency Group.

[Begin Von Braunmuhl recording] Well, as a result, we communicated quickly with those UN institutions that can give some support; for example, in immediate funds. There are very few funds, but perhaps it is more important to call the international community's attention to the fact that there really is a very serious human problem in Cuba right now. I think this problem will continue, because it may seem that when the dramatic images disappear the problem has disappeared. But this is not true, because what was affected was something as important as the country's ability to provide enough food for its people.

Well, we had originally thought that the damage would exceed $1 billion, but today in this meeting with the government and the embassies in Cuba, the civil defense representative reached a similar figure, and when I saw those figures, which are mainly for damages to agriculture and other production facilities, I realized that the estimate is really too low. Because the figure of $1 billion does not include loss of income from tourism and all the damage to hotels, the damage to structures in Havana and possibly elsewhere. The damage to a good part of Habana Vieja alone...[rephrases] who knows now what the damage is in economic terms, but it is enormous. I think that what has been counted in that figure of $1 billion is what was seen immediately in terms of lack of production and lack of food, medicines, etc. But the effects in the longer term are even greater, I think.

[Cavada] Lastly, Von Braunmuhl, do you think that this strategy, or Cuba's call, which you have joined, to the different UN agencies may be understood by someone in the world as an attempt to evade the U.S. embargo against Cuba?

[Von Braunmuhl] No, not at all. I think that it is an exclusively humanitarian thing. I do not see really that attempt. [end recording]

The Cuban Government and the UN agencies located in Cuba agree that Cuba needs $50,000 for medicine; $500,000 for rehabilitation of agriculture; $300,000 for fertilizers and pesticides; basic foods such as powdered milk, flour, beans, and cooking oil for 150,000 people affected by the storm; and $25,000 for roof repairs. The magnitude of the disaster exceeds the country's ability to recover, and it is a responsibility of the civilized world, Mr. Joachim von Braunmuhl said, to undertake cooperation with Cuba.

Mexican President Said To Favor Cuba Rejoining OAS

PA1903123793 Havana Radio Havana Cuba in Spanish 0000 GMT 19 Mar 93

[Text] In an interview published on 18 March by the Mexican newspaper EXCELSIOR, Mexican President Carlos Salinas de Gortari stated: Mexico is in favor of Cuba's full participation in the OAS.

President Salinas de Gortari said that President Fidel Castro is a respectable man, a patriot who is struggling to safeguard his nation's sovereignty.

During the interview granted to Nicaraguan writer and former Interior Minister Tomas Borge, the Mexican President spoke of the need to have an equilibrium between the North and the South. He also called for

avoiding commercial wars, which could turn into very serious confrontations in fields other than the economic field.

Vietnamese Agriculture Minister on Cooperation Aims

F...1903013593 Havana Radio Rebelde Network in Spanish 0000 GMT 19 Mar 93

[Text] The possibilities for economic, scientific, and technological exchanges between Vietnam and Cuba and moral support at times as difficult as those we are experiencing were mentioned in recent statements made to the "Exclusive" program by Vietnamese Minister of Agriculture Nguyen Cong Tan, who has been in our country since 14 March heading a delegation that is attending the 13th Cuba-Vietnam Intergovernmental Session on Scientific and Technological Cooperation. The session began on 16 March and is scheduled to conclude on 22 March with the signing of cooperation agreements between the two countries to cover 1993 and 1994.

Nguyen Cong Tan stated the following about cooperation between Cuba and Vietnam.

[Begin Nguyen Cong Tan recording, in Vietnamese with simultaneous translation into Spanish] For right now we will focus on [words indistinct] agriculture, public health, and aquatic resources. We know that Cuba is experiencing very difficult times, and we want to share these times with you. Thus we want to help, especially in the field of food production. We are confident that you will be able to overcome your current difficulties. [end recording]

* Oil Industry, Exploration Discussed

93CA0070C Havana BOHEMIA in Spanish No 6, 5 Feb 93 pp B8-12

[Article by Fernando Davalos]

[Text] In 1992, the riddle of Cuban oil—the eternal question of "Do we have any or not?"—seemed to move one step closer to a solution at the end of December, when the amount of crude produced by our country totaled 882,000 tons, the third highest production figure ever. The unstoppable drive of our oil workers should result in another high figure this year: 1.3 million tons, far exceeding the 1986 record of 936,000 tons.

Several observations must be added to these overall figures: Despite the high viscosity and sulfur content, the volume extracted last year was used to generate much of our electricity and help other types of production critical to the Cuban economy. Moreover, they were produced despite a critical lack of foreign supplies and using obsolete equipment—amidst rapid technological progress—while waging a systematic battle against complex geology.

Inasmuch as the country has had to face many restrictions imposed by the "Special Period" (PE), its efforts have had to be channeled and directed toward research and development in known oil-producing areas: Varadero and the periphery (south and east of Hicacos Peninsula), Boca de Jaruco in La Habana, including the fields of Martin Mesa (southeastern Mariel), Yumuri and Puerto Escondido; and Majagua in Ciego de Avila, along with Jatibonico, Cristales, Jarahueca, and the recently discovered Pina in the vicinity of the agroindustrial sugar complex of Ciro Redondo.

The high level of skills and determination of such communities, backed by their service and research infrastructure, have helped overcome enormous difficulties this past year. The main goals were achieved in terms of production, significant progress was made in the introduction of new technologies used in working highly efficient wells—the so-called "increased production" that will be gradually expanded in 1993—and a prospecting strategy was clearly outlined in partnership with prestigious international firms, a number of which are already starting to drill offshore and on land in the Cuban archipelago.

Risky Exploration

Cuba is now forced to engage in so-called "high-risk exploration" in areas of the national territory not yet adequately studied. Cuba's supply of foreign fuel has dropped and, despite recent efforts, production is still insufficient. It should be recalled that our country had been importing over 13 million tons and that the supply on hand has dropped to virtually half that amount in just two years.

Due to the restrictions of the special period, the economy has reduced its own high-risk oil exploration and found viable formulas for engaging in such ventures with foreign partners. These companies bear most costs and supply the technology and equipment until oil is found and shared by Cuba and its partners in proportions based on previously defined terms. Government-owned Cuban Oil (CUPET), formed in 1991 from the merger of entities in the sector, has concluded partnership contracts with the Canadian CNW (Canadian Norwest [sic] Energy Limited), the French Total and European Oil Company, the Swedish Taurus, and others.

The experience of the French in the northeastern quadrant of Matanzas Province and a maritime zone of small islands and shallow waters in Santa Clara Bay, along with Cuba's own information and studies, have led to international bidding to be held in Canada and England in the near future. Cuba will at that time negotiate similar contracts for a dozen promising parcels on land and Cuba's continental shelf.

With support from CUPET, experts from Total and the European Petroleum Company engaged in research for an entire year and the preliminary conclusions are exciting.

Highly skilled professionals from Cuba and other countries view a 1,000-km offshore and land area on the island's northern coast as very promising, along with another similar zone in the south, but our country currently lacks the financial and material means needed to explore them.

Known Fields

Despite these limitations, CUPET was able to continue so-called low-risk exploration of known oil fields in 1992, working in new deposits in eastern La Habana, Boca de Jaruco, and the new Puerto Escondido deposit. It continued explorations in the Varadero-Corralillo quadrant in Matanzas as far as the Villa Clara border.

This national strategy includes continued studies and exploratory drilling in Pina, whose excellent light crude was discovered in 1990, and adjacent areas in the so-called Central Basin.

Puerto Escondido's Well 3 spontaneously began to spout 20 cubic meters of heavy crude a day and, as a result of the acidification process ("increased production") conducted by Cuban technicians, output doubled. In the neighboring zone of Boca de Jaruco, drilling continued in the "second plate," a lower geological anticline looking toward the contiguous maritime zone, where two wells have yielded promising results.

Explorations of the Varadero deposit have involved peripheral "satellite" fields, where three more wells were drilled that have yielded a medium-weight oil. Eight wells were drilled in Pina and the Central Basin with exciting results. Wells at five different sites in this area have helped define the shallow deposit's boundaries with a quick and consequently low investment, even though volume is not large.

Technique and Courage

If the volume of oil extracted in 1992 did not result from extraordinary discoveries and if the effective "increased production" technology brought in by the Canadians was not decisive, how else is one to explain the fact that the country is on the threshold of producing a million tons of oil at such a difficult juncture in our history?

It is important to remember that 80 to 90 percent of Cuba's oil infrastructure is of Soviet origin and that the rest is from Romania or some other formerly socialist country, meaning that the supply of spare parts and all technical assistance was abruptly cut off. Moreover, much of that technology once provided by the Soviets on a "fraternal" basis is now obsolete and has endured many years of use, resulting in frequent complex operating situations.

Nevertheless, Cuba's oil workers emphasize that the recovery and development of their sector depend on investments (some 260 million pesos between 1986 and 1992) that can now be considered "mature" in terms of productive use. However, there is the matter of their relative technical obsolescence at a precise time when equipment is subjected to intensive use and expected to yield rapid results.

At the present time, Cuba has several hundred wells in operation, along with collection centers, pumping stations, batteries of storage tanks, small processing plants, and other facilities, plus many kilometers of oil pipelines of varying gauges. And yet, the yield of this extensive material base is still inadequate because of the aforementioned causes.

Most of the oil discovered to date is heavy crude that is difficult to extract and transport. The geology of the deposits is complex, the latter being found in faulted tectonic sections under many layers of hard rock, all of which combines to form a demanding, painstaking extraction operation quite different from the idyllic image of the notorious underground "river" of oil that some dream of finding under our archipelago!

One positive element in the nation's oil picture is the courage and skills of our experts and operators, which definitely explain the results of 1992 and the country's increased expectations for this year. Our oil workers are well trained and many graduated from schools in the former Soviet Union. There they were trained to handle the most complex and delicate situations and learned state-of-the-art techniques, as demonstrated by their ability to stand shoulder to shoulder with Canadian, French, and other workers, thus gaining mutual respect and demonstrating our ability to learn quickly.

[Box, p B 11]

National Crude

Some 610,000 tons of oil produced by Cuba in 1992 were used to generate electricity, an unprecedented figure. Last year, Cuban fuel (oil and natural gas) was also used to produce cement, glass, and nickel and supplied several industrial sugar mills and various factories near deposits.

The list of users is growing and, in 1993, the portion of electric power produced by national fuel will be nearly half the total generated in the country.

Only the determination and ingenuity of our oil workers, technicians, and operators of thermoelectric plants and industries that use the fuel have made it possible to overcome the difficulties involved. Most production is from the Boca de Jaruco and Varadero fields, where the oil is heavy and difficult to extract, handle—it must often be heated—store, and burn. Varadero crude is the most viscous, between 10 and 11 degrees API (international scale of density), with a sulfur content of 6 percent. In contrast, oil from the Camarioca-Cantel zone adjacent to Varadero is of average density (between 15 and 22 degrees API). Oil from Pina in Ciego de Avila is lighter and of better quality: 32 degrees API, and contains very little sulfur.

Cuba's fuel consists of these high- and medium-density crudes. Small processing plants separate out water, solids, and sulfur from the gas, helping to improve the product and turn it into a valuable resource. Oil from Pina is used to produce special high-quality oils, and the gas found with it (from 70 to 100 cubic meters per cubic meter of oil) is shipped compressed to various users, also as a fuel or to oxidize metals, although its range of use must also be increased.

[Box, p B 12]

"Increased Production"

The platform at Boca de Jaruco's Well 218 and vicinity are alive with very complicated-looking equipment and attractive colors.

It is at this precise spot, next to Via Blanca, that another episode in the so-called "increased production" of oil takes place, multiplying the output of every well.

It is no magic trick, this process of applying the most modern and advanced technology of oil extraction brought to our oil fields by foreign oil companies.

The technique of increased production consists in boosting output at wells in operation by a study of their characteristics, using previous and further geophysical research, the injection of acids into the production layer (to improve porosity or the "sponginess" of host rock through which oil flows into the well), and the introduction of a high-yield helicoidal pump.

Even though the experiment began in 1992 and was used by only a dozen wells in Varadero and Boca de Jaruco, it immediately produced undeniable results.

Inter-Caribbean Affairs

Dominica's Charles Urges OECS 'Not To Despair'

FL1703174093 Bridgetown CANA in English 1539 GMT 17 Mar 93

[Text] Roseau, Dominica, March 17, CANA—The private sector of the Organisation of Eastern Caribbean States (OECS) have been told not to despair, even if growth prospects in the future do not appear encouraging because of fast-paced global changes and trends.

Prime Minister Dame Eugenia Charles in addressing participants of a three-day OECS private sector economic conference being held here, outlined a list of the many dificulties facing the sub-region, including the impact of the single European market, the North American Free Trade Agreement (NAFTA), and the reduced Caribbean Community (Caricom) Common External Tariff.

"There is cause for concern, but not despair. The growth prospects do not look encouraging," Charles observed while admitting her deep concern about the situation. However, Dame Eugenia took to task commentators whom she said were very pessimistic about the job outlook as OECS economies set out on the development path, saying such skepticism was fundamentally misplaced.

"I believe that within the OECS family of nations, we are able to assemble the blend of public policies and private sector actions that can override problems in an orderly way. But to do so, we will need vision and perspective to help determine the shape and dimensions for the economic recovery programme," Dame Eugenia asserted. She indicated that legislation and an improved economic environment would assist the private sector in restoring the full measure of its strength to help move the economy forward.

Antigua and Barbuda

Ex-Minister Opposes American Airlines LIAT Takeover

FL1803154493 Bridgetown CANA in English 1505 GMT 18 Mar 93

[Text] St John's, Antigua, March 18, CANA—Former Antigua and Barbuda Trade Minister Hugh Marshall has voiced strong opposition to American Airlines replacing LIAT as the handling agents of the German carrier Lufthansa in Antigua.

Marshall, speaking this week during parliament debate on the government's 1993 budget, said the government should intervene in the matter and tell American Airlines it should not carry out such business in Antigua.

"I am saying that this government has an obligation to say to American Airlines this is one area of business that you don't have the right to enter," Marshall told the House of Representatives.

"You cannot come here and compete [words indistinct] in the skies not on the ground," Marshall added, calling for the the minister of aviation to intervene to see if the decision can be reversed in LIAT's favour.

Marshall, a backbencher, also described as "unfortunate" a statement by the Antigua Government two months ago that it intended to make a bid to purchase the LIAT. He said the government's statement might have resulted in other interested investors deciding not to put in a bid for the regional airline which Caribbean governments, the current shareholders, have put for sale. A Barbados-based consortium, led by the construction-based C.O. Williams Group, was the lone applicant to purchase the airline when bidding closed a month ago.

Marshall said LIAT, which is headquartered at the V.C. Bird International Airport here, needed to be "financially re- strengthened," and he charged that the government here had not done anything to help the airline. He said LIAT was losing around two million dollars (one EC dollar = 37 cents U.S.) a year and this state of affairs had caused Antiguan workers to lose jobs with the airline.

Haiti

Business Sector on Aristide - Clinton Meeting

FL1803174893 Port-au-Prince Radio Metropole in French 1145 GMT 18 Mar 93

[Excerpts] More than 24 hours after the Clinton/Aristide meeting in the White House in Washington, the response from the various sectors of the nation is still to be determined. Aside from early comments by the political class, a hesitation and feeling of skepticism seems to characterize the positions. In the business sector, for example, initial reactions vary. Edner Jean filed the following report:

[Begin Jean recording] The reactions of the wholesale businessmen in the downtown area can be summarized in one sentence: "We cannot anymore." This cry was already launched by the Chamber of Commerce, less than a year after the crisis began. Today customers are increasingly scarce. The shelves are mostly empty and orders are not arriving. The U.S. dollar has become a rare commodity. Some businessmen in the downtown area confess that they are groaning under the economic and commercial embargo.

But who is to blame? If they all agree on criticizing the economic decline of the country, the representatives of the business sector we questioned are divided on the issue of responsibility for this situation, depending on whether one is a partisan or an opponent of the ousted president. Between these two tendencies, diametrically opposed, there are obviously those who only wish for a negotiated solution to the crisis. The meeting between Clinton and Aristide gives them a reason for hoping that the conclusion of the crisis might not be too far off. [passage omitted].

For some, this meeting is nothing but a new act in a vast comedy being played since 30 September 1991. Business people opposed to the return of Father Aristide do not believe a word of what was said on 16 March in Washington. [passage omitted] Others were expecting a little more from the Clinton-Aristide meeting. This is the case of Antoine Izmery, a businessman close to the lavalas regime. While admitting that Clinton went a little further than George Bush, Izmery believes the U.S. President could have said or done better. [passage omitted]

Despite these differences in opinions and views, the certain fact is that the business sector is showing obvious signs of exhaustion after 18 months of economic and political crisis. While awaiting the official position of the Chamber of Commerce, the business people in Port-au-Prince express feelings of exasperation and frustration. [end recording]

CONACOM Calls Meeting 'Positive'

FL1803182093 Port-au-Prince Tele-Haiti in French 1330 GMT 18 Mar 93

[Excerpts] [Passage omitted] The secretary general of the National Congress of Democratic Movements [CONACOM] describes the 16 March Aristide- Clinton meeting in Washington as positive. Victor Benoit meanwhile hopes the political forces of the country organize themselves for the formation of a government of concord that would include all sectors of the nation. The CONACOM leader responded this time at the microphone of Patrick Eliancy.

[Begin recording, in Creole] [Benoit] We in CONACOM consider this meeting as positive for the following reasons: First, President Clinton has made a firm commitment in favor of the return of democracy and the return of President Aristide to Haiti. We believe that given the strong position of the United States in the world, the possibility will be reinforced within the international community, through the United Nations and the OAS, that we can return to democracy in Haiti.

I also believe it was a positive meeting because of President Aristide's renewed commitment to nonviolence. We think this stand is in compliance with the provisions of the Constitution on how politics should be conducted in the country. It is in a peaceful stance.

[Eliancy] What do you think should be done here in the field?

[Benoit] In the field, I think it is important for all sectors in this country, all the political sectors that believe in democracy—I say those that believe in democracy—to take this opportunity to make a true effort so we can overthrow, in a unified manner, what I call the wall of hatred, of suspicion, so we can give priority to the national interest, resulting in a true government of national concord. [passage omitted] [end recording]

Lack of Haitian Currency Noted at Central Bank

FL1803184093 Port-au-Prince Radio Tropic FM in Creole 1300 GMT 18 Mar 93

[Excerpts] Not only the U.S. dollar, the exchange rate of which gets higher each day on the parallel market and in the various banks of the capital, but a scarcity of gourdes and paper money has been felt for some time in the country. This situation is so serious that the financial agents require those buying gourde bills to pay as much as 7 to 10 percent. In several banks that we visited on the morning of 17 March, we noted a very long line of people trying to change large bills, such as 250-gourde, 100-gourde, and 50-gourde notes. It was with much difficulty that the cashiers of the Central Bank managed to change bills up to 500 gourdes because the Central Bank is lacking one- and two-gourde bills, and coins. [passage omitted]

According to the director of a private bank in the capital, this economic situation is a consequence of the 30 September coup which caused an embargo on the country and various other economic sanctions. [passage omitted]

Catholic Priests Issue Communique on Romelus Beating

FL1803223793 Port-au-Prince Radio Tropic FM in Creole 1300 GMT 18 Mar 93

[Text] In a communique dated 16 March, 41 Catholic Church priests, who are mostly from the Port-au-Prince archdiocese, sought justice for Monsignor Willy Romelus, demanding that the attackers of the bishop during the 25 February incident in front of the Port-au-Prince Cathedral be brought before the court. If no action is taken against the attackers of Msgr. Romelus within one month, the priests in the archidiocese said that they might decide not to celebrate te deums, funerals, and marriages for them in the Church.

This decision was made after a meeting of the priests with the bishops. The priests proposed a march to take place during Lent in order to show solidarity with Msgr. Willy Romelus.

Aristide Sympathizers Discuss Situation

FL1803232993 Port-au-Prince Radio Metropole in French 1700 GMT 18 Mar 93

[Text] The call for non-violence and reconciliation sent by ousted President Aristide after his meeting on 16 March with President Bill CLinton is welcomed by supporters in Port-au-Prince who are also calling on other sectors of the country to end the violence. Guilloto Francois has filed this report:

[Begin Francois recording, in Creole] Twenty-four hours after Aristide's statements asking his supporters to abstain from violence in Haiti, impressions are mixed among supporters of the ousted president in Port-au-Prince. The call for non-violence is not important for just one sector, the pro-Aristide sector, but also for all other sectors in the country, according to Aristide's sympathizers. Aristide's sympathizers say that they are also the victims of violent acts. However, the situation in Haiti does not allow anyone to breath the air of democracy in the country. Two of Aristide's sympathizers, labor-union leader Cajuste (Lexius) and (Porcenel) Joachin share Aristide's idea. [Lexius] I think that since President Aristide wants to extract the country from the crisis, we think that it is his duty, as president of the Republic, to pacify the country instead of setting it afire so that the country can end its crisis. As a Haitian citizen who likes President Aristide and who likes his country and would like the crisis to be resolved, I agree totally with his [Aristide] statements. [Joachin] As an Aristide sympathizer who also favors changes, I agree totally with the message sent by Aristide. However, my only reservation is that while the father's sympathizers should not be violent, should they continue to demonstrate? Very often the people stage peaceful demonstrations and the Army acts violently toward the people. I would like to ask if no one should demonstrate. There is a great difference between a demonstration and violence. The people never acted violently. [He corrects himself] The people sometimes act violently when they are attacked because the people never obtain justice.

[Francois] Another branch of the popular sector, like the organization of neighborhood committees, street vendors etc, assert that they are great victims. Despite the violence against us, we decided to follow Father Aristide's message. However, they question whether they would find justice because many violent acts are committed against them. A question that should not be avoided, according to a member of a neighborhood committee in Port-au-Prince.

[Unidentified speaker] As a president, he [Aristide] has the right to say so. However, people break in my house every day. I am denied justice every day. I do not see how someone can preach to me about non-violence. How can I act violently, I do not have any weapons. [Francois] It is the second time that Jean-Bertrand Aristide has officially asked his sympathizers to remain calm and not act violently in order to foster peace in Haiti. [end recording].

Students in Les Cayes Demonstrate for Aristide Return

FL1803223693 Port-au-Prince Radio Tropic FM in Creole 1300 GMT 18 Mar 93

[Text] Students at the Philippe Guerrier Public High School in Les Cayes and some other people demonstrated on 17 March against the current authorities and in favor of the return of President Jean-Bertrand Aristide. The people protested noisily in front of the military personnel present to prevent the crowd from growing larger. Some members of the OAS/UN civilian mission were also present.

Salinas Meets U.S. Commerce Secretary, Discusses NAFTA

PA1803152193 Mexico City Canal 13 Television Network in Spanish 1300 GMT 18 Mar 93

[Report by Jaime Guerrero]

[Text] President Carlos Salinas on 17 March met with U.S. Secretary of Commerce Ronald Brown amid an atmosphere of trust and frankness. The U.S. official urged everyone to win the struggle for the North American Free Trade Agreement [NAFTA] and denied his country is pressuring Mexico in the negotiation of complementary agreements.

We are exerting absolutely no pressure. The U.S. Government is simply trying to learn more about and intensify contacts with the Mexican people. Ours is a solidarity mission; a fact-finding mission and not one to exert pressure.

Brown said he is convinced NAFTA is useful to Mexico and the United States. He added: The Mexican economy is growing and reforms have been made, and I hope there will be further reforms with or without NAFTA, although I think NAFTA is useful not only to Mexico, but also to the United States. This is one of the reasons we expect NAFTA to be in force.

As complementary negotiations were starting in Washington, here in Mexico Brown pointed out that U.S. concerns over environmental and labor issues will be settled in the parallel agreements. Mexico has taken very important steps in environmental and labor rights issues and this is among the reasons why I trust the talks will be completed successfully, he said.

Afterward, Ronald Brown met with members of the American Chamber of Commerce. He pointed out treaty opponents must stop the rhetoric and admitted it will be no easy task but the trilateral agreement will win the battle at the U.S. Congress. There are people in the United States who oppose NAFTA, but as I pointed out earlier, I trust we will win this battle, Brown added.

Border Incident With Guatemala 'Satisfactorily Settled'

PA1903040393 Mexico City XHTV Television Network in Spanish 0200 GMT 19 Mar 93

[Text] According to a communique issued by the Mexican Foreign Ministry and the Guatemalan Foreign Ministry, the 9 March incident where Guatemalan soldiers entered Mexican territory by accident has been satisfactorily settled and clarified through talks between the officials of the two countries. The communique states that this confirms the friendliness that marks the relations between Mexico and Guatemala.

* Bishop Ruiz Criticizes Economic Policies

* Year's Events Reviewed

93CA0071A Mexico City DOCUMENTACION E INFORMACION CATOLICA in Spanish 14 Jan 93 pp 21-24

[Text of Christmas Message of San Cristobal de las Casas, Chiapas, Bishop Samuel Ruiz Garcia]

[Text] Merry Christmas!

"And there shall come forth a rod out of the stem of Jesse, and a Branch shall grow out of his roots;

"And the spirit of the Lord shall rest upon him, the spirit of wisdom and understanding, the spirit of counsel and might, the spirit of knowledge and of the fear of the Lord;

"And shall make him of quick understanding in the fear of the Lord: and he shall not judge after the sight of his eyes, neither reprove after the hearing of his ears:

"But with righteousness shall he judge the poor, and reprove with equity for the meek of the earth." (Isaiah 11, 1-4) [King James Bible]

It is a great pleasure to share with you, along with our Christmas greetings, some moments of our journey, since these are the abiding proof of the presence of the God of Jesus Christ on the journeys of His people. Thanks to the strength of His prayers, His unified presence, His timely words and His effective help in the most difficult moments we have endured, we remain enthusiastic about continuing to follow Jesus Christ, serving and accompanying the poor people of our diocese.

Profound Changes

The profound changes that have taken place in Europe are having an impact on Latin America and in our corner here in Chiapas. It would appear that on the horizon of social transformation, the doors have been closed to alternatives other than neoliberalism; capitalism appears to be prevailing as the single, definitive model of society. European solidarity, now focused on internal problems, is diminishing significantly when it comes to support for the Latin American "Third World." This poses a challenge for us to strengthen the processes of the people with our own resources and to develop a new creativity in search of self-sufficiency. We must take a new look at what "development," "democracy," and "solidarity" mean in the present context, from the standpoint of Latin American culture and values, so that we may continue along the path of liberation toward a transformation of society from the inside, by questioning theories and practices and thus having a major impact on the existing model.

Constitutional Amendments

The amendments to the Mexican Constitution and the changes resulting from the Free Trade Agreement are already being felt in Chiapas. The emphasis has not been placed on human values, but on greater production spurred by foreign investment. That is why the peasant class, in the face of the unreasonable increase in property taxes and the threat of hunger, is beginning to sell off land and is in the process of becoming the desired cheap labor. It will take new efforts and imagination for peasants and Indians to create alternative methods of production in which they will be able to welcome partners who do not subordinate them as victims for greater profit.

Five Hundred Years of Evangelization and Resistance

The commemoration of the traumatic encounter of 1492 and the fourth meeting of the Latin American Episcopacy had repercussions among our people and highlighted the old and new contradictions. In the parishes and in many places there were celebrations characterized by fervent prayer and profound reflection, when people thanked God the master of the faith for the growth of communities committed to Christianity and asked His forgiveness for the crimes of the past and present.

At the Cathedral of San Cristobal we held a vigil of adoration and reflection, and in the early morning we made a pilgrimage as a sign of hope. We culminated the celebration with a Eucharist in which Indian deacons participated actively.

The popular organizations and movements also staged marches in nearly all of the municipal seats of government. The Indians participated in significant numbers and were noted for their solidarity. Conservative estimates number the participants in the San Cristobal march at 10,000. The populace was not so much surprised by the large number of participants as by the discipline of the Indians throughout the event, and by the number of women and children participating.

Across from the Church of Santo Domingo, a small group knocked down the statue of the founder of the city in a symbolic gesture of rejection of the conquest. The municipal president groundlessly accused the friars and the bishop of having instigated that action by the Indians. In Ocosingo, the march was preceded by an accusation that the Indians, alarmed by the "priests" (led by the bishop and the "nuns"), were planning to take over land and houses. There were reports of people who armed themselves in anticipation of the events of the 12th. The peacefulness and enthusiasm of the march made liars of the accusers.

Several months earlier, some landowners had decided to eliminate the bishop of the diocese and Father Joel, accusing them of stirring up discontent among the people of Chiapas. In this regard, they were echoing the slur campaign that the state-run media had been carrying out for several months in opposition to our pastoral action among the poor. The danger was averted by calling on the country's top officials to intervene. It came as a pleasant surprise when Pope John Paul II gave encouragement to the Indians of Latin America in the message he delivered to them in the Dominican Republic. Our two representatives, Maria and Antonia, spread their enthusiasm to us on their return. We were tremendously happy when the Nobel Peace Prize was awarded to Rigoberta Menchu Tum, who had visited our diocese a short time earlier.

We all saw not only Rigoberta's undeniable personal qualities, but also the symbolism embodied in the fact that the Nobel Prize has been given to a young Indian woman in Latin America in the year of the 500th anniversary. I accepted her invitation to accompany her to the ceremony where the prize was awarded.

In Chichicastenango, Guatemala, we participated in the Central American Meeting on Indian Theology, in which there was an unprecedented exchange with priests of the Mayan religion. Throughout the year we were visited by Catholic and Evangelical groups from Europe and the United States, who thus expressed their willingness to share our journey with the people. The commemorations of the 500th anniversary also took us to events in Honduras, the United States, Austria, and Canada.

Between Pain and Hope

Five centuries after the conquest, the lives of Indians and peasants have not undergone any qualitative changes: Their land was seized from them, and the debt has still not been repaid; their demands are still put off, yet they continue their quest for dignity and justice. This situation is reflected in the national press almost daily. We will cite a few examples: The *xinich* (ant) march went from Palenque to Mexico City to protest repression and to demand land and services. These Indians, representing 100 communities and four ethnic groups, found an unforgettable pluralistic solidarity on their journey. In Tenejapa, the Indian people protested the installation of a municipal president who had been rejected by the majority. The response to their just demand was repression, persecution, jail, and intimidation. After 12 years of futile paperwork with agrarian authorities, 92 families in the Municipality of Tzimol were violently evicted and their belongings stolen by police.

In April, a group led by municipal officials and *caciques* from San Juan Chamula attacked the expelled Chamulas who live on the outskirts of San Cristobal. Many people were injured and a lot of property was destroyed. But it was the victims of the assault who were punished; their leader was thrown in jail. A hunger strike at the jail resulted in his release. In May, political interests once again took cover behind religion in Amatenango del Valle, where 43 Evangelical families were evicted by *caciques* interested in creating problems for the authorities. Shortly after 12 October, peasants from Simojovel were once again victims of repression (800 policemen) because of their demands for land. Then came Amatan,

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Samuel Ruiz Garcia, bishop of San Cristobal las Casas. In his presentation, Monsignor Samuel Ruiz relied on the following documents:

The Situation in Chiapas and the Action of the Diocesan Church

Context for Understanding Diocesan Action and Its Social Repercussions

When we speak of Chiapas and complain about the problems affecting peasants, Indians, and the poor in general, we may succumb to the error of blaming one or more people for this situation, which goes back many years. At the same time, in analyzing the work of our diocesan church, one might mistakenly interpret it as a petty feud or a political struggle to reconquer what the church had during colonial times in Chiapas. To avoid falling into these mistaken beliefs, we feel it is important to clarify to you the origins and reasons for the diocese's work.

The Constitution of the Vatican Council II, on the church in the world, says that it is in the daily duties of a man who searches, suffers, and lives according to his own values and laws that the Christian's mission should be carried out. It was in this world where our God was incarnated, and we join him in a society that makes us all brothers. Therefore, people's lives are not alien to us; on the contrary, because of our loyalty to Jesus Christ, we are in a constant state of tension between the promises of the Gospel and the reality that surrounds us.

Social Context

Clearly, the reality of Chiapas cannot be viewed in isolation of the national context. Today the country is advancing in an unprecedented manner toward greater liberalization of the market, which is having a different impact on every region of the nation. Chiapas is one of the poorest states in Mexico, along with Oaxaca, and it is here that the negative effects of market liberalization are being felt the strongest. Despite the state programs and the macroeconomic statistics, in the last few years we have witnessed the exacerbation of poverty among peasants, Indians, and workers. The fall in coffee prices has affected a broad sector of the state whose "subsistence economy" depended on this product. Environmental programs have, unfortunately, aggravated existing land problems. There is a shortage of land for planting corn, but not for raising livestock, and small carpentry businesses are failing for lack of materials. The population in the urban centers has grown because of the influx of peasants and young people who have lost the job opportunities they had in rural areas. It is sad to see the number of beggars and street vendors in the state's principal cities.

This situation of impoverishment is nothing new. It is the result of a long and historic process of decapitalizing and plundering the state of Chiapas. Throughout the colonial era, the age of independence, and the postrevolutionary years, the best farmlands have gradually ended up in a few hands. The exploitation of natural resources for the benefit of the nation has primarily benefited other regions of the country or outside businesses. The construction of a complex of hydroelectric dams, whose social cost was the displacement of a large number of peasants, the loss of top quality land, and the exacerbation of the agrarian problem, has not benefited the poor or the Indians. Fifty percent of the population does not have electricity, while the hydroelectric company exports power to other states in the country, generates few jobs, and does not employ technicians trained in this state.

Petroleum is another sector in which the natural wealth of the state is being plundered without yielding major benefits; in fact, no one even questions the environmental impact of oil prospecting and drilling, which result in deforestation and pollution. In addition, investors from outside the state or from other countries have been given concessions and have been accorded priority in the coffee, lumber, banana, and tourism sectors. This accumulation and plundering of resources, which has benefited a handful of groups and social forces in the state, has shunted aside a broad sector of the population, primarily Indian groups and peasants. Driven into steep, rocky, and remote areas, they are forced by their poverty to accept their plight or to emigrate to the cities, or to seek justice.

The search for justice entails a popular mobilization: organizing cooperatives, organizing new peasant groups and taking over land, demanding honest public officials, demanding democracy, etc., always with the desire to achieve the well-being of the community and the family. This has generated social unrest, which primarily affects landowners, ranchers, and merchants, even though they are not directly to blame for the poverty and backwardness, but they are the most visible beneficiaries of it in every location.

The landowners have been protected historically by the successive governments of Chiapas and by agrarian laws. The current constitutional reforms in the area of agriculture are more beneficial to them than to poor peasants and Indians.

The Diocesan Church

Christianity is not an ideology, or a social system, or a religion. It is a way of life expressed in a religion, through an ideology. In our case, the church of the Diocese of San Cristobal de las Casas is an institutional expression of Christianity, in communion with the Church of Rome. We want to follow the plan of God in our lives, and we proclaim the need to do so. This is a plan for living that does not cover up or justify margination.

The goals of our church's social actions are:

- Justice
- Giving society better mechanisms for sharing the benefits of creation

- Carrying out actions and projects that will give the poor a better life
- Not opposing the people's legitimate aspirations for life, especially the poor, who are the presence of the Crucified Christ among us

From these goals are derived projects aimed at paving the way to a better life based on our Christian vocation and faith:

- Biblical reflection
- Promotion of health, hygiene, and folk medicine
- Women's rights
- Promotion of Indian culture, with an appreciation for the ancestral Mayan culture
- Training of Christian servants and leaders
- Improvements in farming techniques
- Preservation of the environment
- Christian education and training
- Education and training in the various areas of personal and community life, family, culture, politics, human rights

Our action is not that of a political party; we are not one of them, we do not aspire to power, and we do not identify with one candidate or another. It is the mission of the church that demands that we be on the side of justice.

Costa Rica

Nicaraguan Embassy Occupiers Present Proposal

PA1803193293 San Jose Radio Reloj in Spanish 1730 GMT 18 Mar 93

[Report by Mitzi Madrigal outside the Nicaraguan embassy in San Jose—live]

[Text] As we have been reporting since 1015 when we read the counterproposal of the occupiers of the Nicaraguan Embassy in Costa Rica, we will provide you with some aspects that they view as being important. On 17 March, they replied to the proposals made by the Nicaraguan Government delegation for the establishment of a dialogue at the Nicaraguan Embassy in La California neighborhood.

The Yolaina commando unit of the Nicaraguan Patriotic Brigade stated that in an effort to discontinue the prolonging of the suffering of the people being held and of their relatives, and as a demonstration of its interest in solving the situation that began on 8 March, it is proposing nine points to Nicaraguan Government Minister Alfredo Mendieta and Deputy Foreign Minister Jose Pallais.

These nine points are as follows: The site of the meeting will be the embassy's reception room, located immediately after the main entrance to the embassy. No armed individual or member of the Yolaina commando unit, with the exception of the negotiator, Jose Manule Urbina Lara, will remain there. Prior to the meeting, the following people will enter the room: Cardinal Miguel Obando y Bravo accompanied by his two advisers, Monsignor Roman Arrieta Villalobos, who has been asked to serve as guarantor, and two Costa Rican civilian personalities, who will also serve as guarantors. All of them will inspect and approve the safety conditions of the negotiating room and other embassy areas that they deem advisable. Cardinal Miguel Obando y Bravo and his advisers will notify Nicaraguan Minister Mendieta and Deputy Minister Pallais of their approval of the conditions of the meeting site. They will then enter the embassy with them to begin the negotiations with Jose Manuel Urbina Lara, representative of the occupiers.

As we have already stated, Cardinal Miguel Obando y Bravo, Msgr. Roman Arrieta, and those people designated to serve as guarantors by the government will also participate in the negotiations. They will accompany the other members of the Yolaina commando unit who will keep their respective weapons.

We must point out that the three remaining kidnappers will bear their weapons in the room where Msgr. Roman Arrieta and Nicaraguan civilians who will serve as guarantors. The hostages will stay in the same room. All of them will be in an upper level room of the Nicaraguan Embassy building in Costa Rica. This will ensure that their accountability.

After the meeting, Costa Rican Government officials will leave first with Cardinal Miguel Obando y Bravo and his advisers. Msgr. Roman Arrieta and the Costa Rican mediators will leave the building afterwards. All explosive and inflammable material held by the kidnappers at the diplomatic headquarters will be kept behind locked doors in another upper-level room to ensure there will be no weapons, other than those held by the kidnappers who will be accompanied by Msgr. Arrieta and the other hostages.

Once the first round of talks concludes, they will turn over to Cardinal Miguel Obando y Bravo five of the hostages, including Dr. Alvaro Sevilla Siero, who is reportedly very ill.

Point nine of a proposal the Nicaraguan Government presented on 17 March, through its representatives Mendieta and Pallais, states that after the meeting—as a goodwill gesture—kidnapper Jose Manuel Urbina Lara would have to release about five hostages to the mediator [as heard]. They would be Alvaro Sevilla Siero, Juan Manuel Tercero Narvaez, and (Lloyd Stanhaussen Macfiet). These are reportedly the three hostages who would be freed.

The Yolaina commando unit, however, replied to Nicaraguan Government representatives stating they would release not three, but five hostages, including Dr. Alvaro Sevilla Siero. This will take place after the conclusion of the first meeting here at the diplomatic headquarters and after the respective reviews are made and the hostages are moved to a separate room with Msgr. Roman Arrieta Villalobos—should he accept to serve as guarantor—and the two civilians.

The Yolaina commando unit again urged Nicaraguan Government envoys to avoid exposing to further suffering the retained people in the Nicaraguan Embassy by using their saftey as a bargaining chip.

This was a nine-point communique issued by the Yolaina commando unit and read over megaphones here at the Nicaraguan Embassy in Costa Rica, in La California neighborhood. The group virtually accepted all proposals made on 17 March by Nicaraguan Government Minister Alfredo Mendieta and Nicaraguan Deputy Foreign Minister Jose Pallais.

As our information chief Hugo Espinosa pointed out, the only point not touched in this counterproposal is the participation of Civil Guard Chief Guillermo Saenz. Only Msgr. Roman Arrieta and the two Costa Ricans, who would be appointed by the government, are mentioned. It has been ruled out, however, that they will be members of the Calderon Administration, because Government and Public Security Minister Luis Fishman said they could be people outside of the Calderon Administration.

Release Five Hostages From Embassy

PA1803224893 Paris AFP in Spanish 2208 GMT 18 Mar 93

[Text] San Jose, 18 Mar (AFP)—On 18 March, the anti-Sandinist command that seized the Nicaraguan Embassy in San Jose on 8 March released five hostages. AFP has learned that 11 people are still being held hostage by the group.

The five people were released a few minutes before 1600 [2200 GMT]. This happened around the same time that Cardinal Miguel Obando y Bravo, who is acting as the mediator between the Nicaraguan Government and the kidnappers, was expected to arrive and begin negotiations with the occupants of the diplomatic mission.

Begin Talks With Nicaraguan Officials

PA1903021293 San Jose Radio Reloj in Spanish 0114 GMT 19 Mar 93

[Text] The talks between the embassy occupiers and the Nicaraguan delegates have started. Monsignor Miguel Obando y Bravo was of the opinion that the Nicaraguan Embassy met the proper conditions for the first direct contact. Archbishop Roman Arrieta and the secretary of the Human Rights Court are participating in the solution of this crisis. Five hostages were released this afternoon, leaving 11 hostages inside. Gina Valdes reports from the Public Security Ministry.

[Begin Valdes recording] The Nicaraguan delegates entered the embassy to start the negotiations a few minutes ago. The minister of public security; the members of the Crisis Commission, made up of Rolando Lacle, minister of the Presidency, and Hernan Castro, deputy foreign minister, are waiting for the arrival of the negotiating delegation. These are the names of the five hostages released this afternoon: Adrian Alfaro, Reinaldo Carranza, Alvaro Cedilla, Jose Manuel Centeno, and Hassan Achak. [end recording]

Nicaraguan Deputy Minister 'Optimistic'

PA1903023093 San Jose Radio Reloj in Spanish 0000 GMT 19 Mar 93

[News conference by Nicaraguan Deputy Foreign Minister Jose Pallais with unidentified reporter at the Nicaraguan Embassy in San Jose—live; broadcast in progress]

[Text] [Pallais] ...We must have confidence [words indistinct] the lives of the hostages who have suffered will be successfully and peacefully resolved, which is what we have sought. I believe that at this time our prayers, our [words indistinct] for the meeting that is taking place inside. I hope the results will be positive.

[Reporter] Do you expect any solutions tonight?

[Pallais] Pardon me?

[Reporter] Will anything be resolved?

[Pallais] I believe so. We are willing to contribute to the [words indistinct]; to work for that.

[Reporter] Where are the weapons now?

[Pallais] On the second floor.

[Reporter] [question indistinct]

[Pallais, in progress] ...that were presented by the commando. At the beginning, the government also adopted a [word indistinct] position that it would not discuss political demands, but everything else can be discussed.

[Reporter] Is money involved?

[Pallais] Let us allow them to discuss that inside and reach a decision.

[Reporter] (?Will you participate in the discussion)?

[Pallais] I have received instructions that at this first meeting we were instructed it would be better for one of the two Nicaraguan delegates to participate in this first meeting, given the very risky conditions established by the government and the fact that the kidnappers refused to place their weapons in a room and opted instead to have them on the second floor where they could control them.

[Reporter] Will you remain outside the embassy?

[Pallais] Yes. If things are going well and I am needed inside, I can communicate by radio with Mendieta [words indistinct]; I have one here and we are going to remain in contact for consultations and, should he consider it necessary, I will go inside.

[Reporter] [question indistinct]

[Pallais] That is among the issues that will be discussed. We have clearly stated that.

[Reporter] Has money been taken into the embassy?

[Pallais] No, no, no. Nothing like that. This is a first meeting; we have a lot to discuss and we must wait. It is preferable not to try to anticipate what might happen inside. I am very optimistic.

[Reporter] [words indistinct] full authority?

[Pallais] Oh yes, Mendieta has full authority. With me or alone he has full authority.

[Reporter] Will there be more flexibility?

[Pallais] Of course.

El Salvador

President Cristiani on Truth Commission Report

PA1803191693 San Salvador Radio Cadena YSKL in Spanish 1719 GMT 18 Mar 93

[Statement by President Alfredo Cristiani from the Conference Room at the Presidential Palace in San Salvador—live]

[Text] Salvadoran people, friends from the national and international media: On 15 March the UN secretary general released the report, prepared by the Truth Commission, after seven months of work by three persons who were appointed by the UN secretariat general to analyze important events that have distressed our society, to make certain recommendations regarding the reconciliation of Salvadoran society, and to try to prevent—by knowledge of the truth—that such events do not occur again.

In the first place, the Truth Commission is part of the agreements signed in Chapultepec on 16 January 1992. The Truth Commission and its report should be seen as a part of the agreements and not something separate from the peace agreements. It is part of the overall framework of the Chapultepec Peace Agreements that rule the peace process in our country.

The report should be analyzed from the point of view that it is in no way disconnected from the rest of the agreements that were reached and signed in 1992, nor is it above the consensus that the various groups in our society might have reached following the Chapultepec Peace Agreements.

We think that the most significant consensus to this effect was constitutional reform, as we now have in our country a Constitution that is the result of a consensus among all the country's political forces, including the Farabundo Marti National Liberation Front.

It is also necessary to recall the objectives of the peace agreements and in this light to analyze the Truth Commission report.

In April 1990, the Geneva Agreement—as it was called at the time—was signed in Geneva. This agreement clearly specified the objectives of the agreements that were later signed in 1992. There are three basic objectives: The consolidation of democracy, respect for human rights, and the reconciliation of Salvadoran society.

Reconciliation is important so that our country will be able to continue to move ahead, turn one sad page of our history, and devote all of our energy to creating that future of well-being, peace, and progress that all Salvadorans want.

With regard to promoting reconciliation, we feel that the Truth Commission report does not respond to the wishes of the majority of Salvadorans who seek to forgive and forget everything having to do with that very sorrowful past, which entailed so much suffering for Salvadorans.

On the other hand, it is necessary to analyze too that the Truth Commission report extracts from everything that occurred during the years of violence in our country only some of the acts of violence and, therefore, it has analyzed only a part and not everything that happened. To that effect, we feel it is important to analyze the path we must take when the report only refers to certain cases and mentions only certain persons.

It is important, therefore, to see what we are going to do to erase, eliminate, and forget the past. We do not consider it fair, therefore, that certain legal or administrative measures are applied against some persons simply because facts pertaining to them were not analyzed by the Truth Commission. This would be discriminating against them. We are taking a position on this, not with the idea of blaming anyone specifically, but because we do not deem it advisable to act against part of the problem rather than to seek an overall solution.

I will read now a small excerpt of the epilogue of the Truth Commission report so that we can analyze the spirit that prevails in the Commission. This excerpt of the epilogue, which is only half a page long, reads: One way or another, responsibility is based on having a thorough background of Salvadoran history and the peculiar crossroads of universal history. It would not be fair, therefore, to place responsibility on any particular person or especially on particular organizations or parties. The epilogue adds: Since the end of the war, many shining figures have also excelled in peacetime. The contradictions and rigid stances of the past contrast with the current rapprochements and circumstances. The former opponents on both sides have found each other again and embraced one another.

The epilogue concludes: It is up to the Salvadoran people to assume the fundamental positions that will lead to total peace. Salvadoran society will have to decide on past and current responsibilities. The spirit of pardon is in the hands of Salvadorans. Also, it is that society, which gained experience in the war, that will decide the outcome of the current disputes. We Salvadorans, therefore, must reflect because we must find the real solution to our problems.

We reiterate our appeal, therefore, to all the forces of the country to support a general and absolute amnesty to turn that painful page of our history and to seek a better future for our country. To conclude, we tell the Salvadoran people that when we signed the peace agreements, we made a commitment to fulfill them. In the case of the Truth Commission, the Salvadoran Government is committed to implementing the recommendations in the Truth Commission report. In that sense, the Salvadoran Government will fulfill its commitment to implement the recommendations stemming from the Truth Commission report. We will do this, of course, consonant with the Executive Branch's commitment to carrying out

its duty, maintaining itself at all times within the constitutional framework and laws of the republic.

Also, following the initial legal analysis of the report over the past two days, we will now analyze one by one the recommendations made by the Truth Commission. We aim to fulfill them, within the parameters we expressed, always seeking to strengthen the peace agreements and stability of the process under way in our country. This requires not only overall stability, but the stability particularly of the previous institutions and the new ones that have emerged in the wake of the peace agreements.

We believe that we have arrived at a point where we must all work together. This Truth Commission report must serve only to build a country in which all of us want to live: A country in peace, progress, and liberty. Thank you very much and may God bless you all.

Vice President on Commission Recommendations

PA1803235693 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 18 Mar 93

[Text] Vice President Francisco Merino Lopez stated the president is still studying the Truth Commission's recommendations. Merino, however, described the suggestion to remove every one of the Supreme Court of Justice magistrates as international meddling.

[Begin recording] [Merino] The Judicial Branch is completely independent from the Executive and is governed by the Constitution and applicable laws. The fact that a commission, made up of foreigners, expressed an opinion and assessed the actions of a state institution has been described as meddling in El Salvador's internal affairs. This is what the Supreme Court of Justice president said about this recommendation. His viewpoint deserves to be respected.

[Unidentified Reporter] The signing of the agreements assumes that a consensus exists.

[Merino] We have made the mistake of meaning the Executive when we speak of the Salvadoran Government. The government is made up of three basic institutions: the Executive, the Legislative, and the Judicial Branches. In addition, there are other institutions in the Public Security Ministry that also are self-governing and function separately from the other state institutions. This inconsistency, so to speak, was incorporated into the agreements, as it was indicated the parties involved were the Farabundo Marti National Liberation Front [FMLM] and the Salvadoran Government. The Executive can negotiate everything within its own jurisdiction and, consequently, cannot interfere with the functions of the other fundamental institutions, either the Judicial or the Legislative Branches.

[Reporter] What would be the repercussions if the Truth Commission's recommendations are rejected?

[Merino] I do not think we should be afraid of the recommendations not being heeded. The way and the time to heed them, however, is very typical of Salvadorans. In only three days, we have witnessed a broad debate by the interested parties. FMLN and its groups have not abandoned their purpose of destabilizing the democratic system in the country. This is nothing new. Their demands, based on the Truth Commission report, is the same thing they said to justify the beginning of violence in El Salvador. To pay attention to such remarks would mean acceding to the attempt to maintain a climate of confrontation and revenge, which is not the best climate for any of the parties involved.

[Reporter] [Words indistinct] The peace agreement signed by the government and FMLN included the creation of a commission [words indistinct]. You are familiar with the report and the recommendations. Does the government feel the report is reliable?

[Merino] Regrettably, not all of the cases presented have been considered. The commission members admit in the preamble of the report that they only studied a small number of cases. If we consider only the recommendations, we cannot generalize based on the few cases mentioned in the Truth Commission report. [end recording]

Merino participated in the inauguration of a modern computer system to control and follow-up cases in San Salvador courts. This system will be installed in 10 criminal courts as part of the Judicial Branch reforms intended to improve the administration of justice. As of this date, the courts will have an effective computerized control system of files and inmates, as well as a statistical control of cases to allow judges to learn the status of a case immediately. This will improve and speed up the administration of justice in El Salvador. The system was inaugurated by Mauricio Gutierrez Castro, Supreme Court of Justice president.

FMLN Leader on Commission Recommendations

PA1903043393 San Salvador Radio Cadena YSU in Spanish 1800 GMT 18 Mar 93

[Telephone interview with Gerson Martinez, member of the Farabundo Marti National Liberation Front, FMLN, Political Committee, by unidentified reporter at the Radio Cadena YSU studio in San Salvador—live]

[Text] [Martinez] We are concerned about a plot against the peace agreements, as revealed by President Cristani's recent remarks on the Truth Commission's recommendations, some of which he rejected. We also wish to report that at the Legislative Assembly Arena [Nationalist Republican Alliance] is trying to impose, hastily and unilaterally, an amnesty law, which will surely prove very negative. The Chapultepec Agreements are binding and valid, not only because the parties signed them, but because the Salvadoran people in general evidently accept the need for peace. Unconstitutionality charges are contradictory because the documents signed by the FMLN and the Salvadoran Government are truly a

historical source of constitutional law, and, consequently, they are a supraconstitutional document binding all of the state's institutions. This has been admitted by the executive and two successive Legislative Assemblies, which even used their highest prerogatives to reform the Constitution.

The executive's resistance to heed the Truth Commission's recommendations is inconsistent and represents sabotage on the peace process. Before anything else, we want to point out, before still another violation of the peace process and the Constitution is perpetrated, that if Arena and the president of the republic impose a hasty and unilateral amnesty in the Legislative Assembly, they will be violating Protocols 1 and 2 of the Geneva Agreements. These protocols state perpetrators of certain crimes—crimes against mankind, such as torture, massacre, and kidnapping—will not be eligible for amnesty. They will also be violating the peace agreements they signed. Perhaps even worse, they will be violating Article 244 of the Constitution, which says: The violation, infraction, or alteration of the Constitution will be severely punished by the law. Public officials, either civilian or military, who commit criminal actions, will not be eligible for amnesty, commutation of penalty, or pardon during the presidential term in which these actions are perpetrated. This is according to the Constitution.

There is now an attempt to violate Article 244 of the Constitution. FMLN regards this as inadmissible and agrees that we must discuss reconciliation measures that can benefit, not only the imputed, but the Salvadoran people as well. The people should be protected because in the end it is the people who can pardon, not the government.

[Reporter] To reinforce these reconciliation measures, President Cristiani has highlighted the partial effect of the Truth Commission report, which would not include all of those involved in crimes perpetrated in the past decade. What does the FMLN think about this, considering the two sides are working at reconciliation?

[Martinez] I think the president's arguments are not honest. He and General Vargas signed a document agreeing that the Truth Commission would investigate the most prominent and monstrous instances of human rights violations in the country. This is what the Truth Commission did. For this reason, the Truth Commission reports there is an economic right and a political far right in the country that represent a potential threat to the country's security and stability, as well as the peace process. The Truth Commission recommends an investigation into who financed the death squads, meaning rightist politicians and prominent businessmen. I think this is a desperate resource of the president, who should be consistent with what he signed in Chapultepec.

[Reporter] Both the FMLN and government representatives stated that all crimes were not investigated. Will the report be accepted or will it be necessary to look elsewhere for the sake of reconciliation?

[Martinez] We think the Truth Commission report and recommendations should be accepted completely and without exceptions. The rejection of some of the recommendations would create political instability and turbulence. Failure to heed immediately, rigorously, and strictly the recommendation to remove officials who violated human rights will cause greater instability, as well as cause a lack of credibility in the authorities. If the president wants to have moral credibility, he will have to heed the Truth Commission's recommendations. Otherwise, the hasty and unilateral imposition of amnesty would discredit him morally and legally, here and abroad because he would be violating Article 244 of the Constitution.

Former FMLN Commander Willing To Stand Trial

PA1903012893 San Salvador DIARIO LATINO in Spanish 16 Mar 93 p 2

[Text] Jorge Melendez, former Farabundo Marti National Liberation Front [FMLN] guerrilla commander, stated before hundreds of people at the Civic Plaza that he is willing to stand trail—if necessary—and will accept the charges in the Truth Commission report.

Melendez stated: "Here I am before you and before justice, for those who wish to put me on trial, because the FMLN accepts the conclusions and recommendations as a way of facing the truth."

The former commander added: "If sacrifices need to be made for the nation's democratization, demilitarization, and elimination of the controversial judicial system, the FMLN is willing to make them."

Jorge Melendez' position, according to his statements, is contingent on the other persons accused of human rights violations accepting the charges in order to end impunity. Melendez indicated that it is necessary to create an institution to follow-up the investigations the Truth Commission did not conclude. It is also necessary to identify the businessmen and the government officials who supported the death squads and to compensate the thousands of families affected by the Armed Forces human rights violations.

The former FMLN guerrilla's statements were made during a sociopolitical activity organized by the San Salvador Political Committee and by the Permanent Committee for the National Debate on Peace at the Civic Plaza on 15 March. The FMLN Board of Directors attended the event.

Guatemala

Defense Minister Says Army Reduction 'Possible'

PA1803185593 Guatemala City EL GRAFICO in Spanish 17 Mar 93 p 6

[Article by Carlos Garcia Urrea]

[Text] Defense Minister Jose Domingo Garcia Samayoa admitted during a news conference at the National Palace, that the reduction of the Army is possible, within the framework of the Central American level talks.

He pointed out that Guatemala has the smallest Army in the region and that it only has defensive weapons. Garcia Samayoa said that he was willing to implement the concept of a political negotiation, without compromising the Army's mission.

The defense minister added that President Serrano had made a statement to that effect to the media [EXCELSIOR, from Mexico], with regard to the negotiation of the Army's size, as is being done in the entire Central American region. He pointed out that this reduction is in relation to the nation's geography, its borders, and the size of its population. Internal crises that may surface, such as the defense of the ecology and drug trafficking, must be taken into consideration when planning for the future.

Garcia Samayoa said that there are talks in terms of readaptation and modernization of the Army. However, if this implies a reduction in its organization, this would have to be dealt with by the commissions in charge.

When questioned if a reduction is possible, the defense minister said that when the president had stated this in the terms of the circumstances expressed, this possibility could be taken into consideration. [sentence as published]

Garcia Samayoa said it would be very risky to state the figures whereby the Army could be reduced, as this is a matter to be negotiated. He added that the talks will continue to study the criteria to be used.

Arturo Alvarado, Public Relations secretary, said that when President Jorge Serrano was questioned by the director of EXCELSIOR, he had stated that talks on the size of the Guatemalan Army could be held, keeping in mind the size of the territory, the number of inhabitants, and the size of the rest of the Central American Armies.

Alvarado explained that these talks are being held on a Central American level. He added that Serrano had stated that in proportion, the Guatemalan Army is one of the smallest armies in the region.

Alvarado explained that President Serrano had not made any commitment to reduce the Army.

Alvarado said that there might be a misinterpretation of the news dispatch transmitting the news because the item published by the EXCELSIOR is correct.

Government Establishes Diplomatic Relations With Belarus

PA1803163693 Panama City ACAN in Spanish 0119 GMT 17 Mar 93

[Text] Guatemala City, 16 Mar (ACAN-EFE)—After signing a joint declaration, Guatemala has established diplomatic relations at the level of ambassadors with the Republic of Belarus, official sources announced on 16 March.

Guatemalan Foreign Minister Gonzalo Menendez Park reported that the document was signed by Guatemalan Ambassador Julio Martinni Herrera and Belarussian Ambassador Gennadiy Buravkin, who are both permanent representatives to the United Nations.

The Republic of Belarus, a member of the Commonwealth of Independent States, borders with Ukraine, Poland, Lithuania, Latvia, and Russia. Belarus has territory of 201,000 sq km, a population of 10.2 million, and its capital is Minsk.

Nicaragua

Cardinal's Aide Reports Receiving Death Threat

PA1803161993 Managua Radio Nicaragua Network in Spanish 1100 GMT 18 Mar 93

[Report by Aurora Lenton]

[Text] Matagalpa Department police officials told Radio Nicaragua that Alberto Blandon, Cardinal Miguel Obando y Bravo's representative in Matagalpa and Jinotega Departments, received a death threat on 16 March in La Estrella, La Dalia Municipality, Matagalpa. After filing a complaint [words indistinct]. For the past four years, Blandon has served as the cardinal's representative, performing very important functions, first in helping to bring about the disarmament of the Nicaraguan Resistence, and now working for peace in the region. Armed men intercepted Blandon in La Estrella and threatened him.

Lieutenant Jorge Obando of the departmental information and press office said that Captain (?Cesar) Zambrano is in charge of the investigation [words indistinct] Julio Luis Quesada, national leader of the National Conservative Party. Lt. Obando said no suspects have been arrested in this criminal incident.

New Front Vows To Fight Forces Threatening Citizens

PA1803213193 Managua Radio Sandino in Spanish 1830 GMT 18 Mar 93

[Text] A new armed group has emerged in Jinotega. Action Front of the People's Armed Struggle [Frente de Accion de La Lucha Popular Armada—FALPA] is the name of the new armed group that has surfaced in the northern part of the country. Jinotega departmental officials learned about FALPA during a meeting at the

governor's office on 17 March. Communique No. 1 issued by FALPA is dated 14 March at the Santa (Maura) Estate, 45 km north of Jinotega City. In this communique, the group condemns the killing of members of the Army and the pressure exerted by the rightists on the farmers' cooperatives. We are going to carry out armed action wherever there are counterrevolutionary activities, the communique adds. In the second place, the communique says, we are going to fight all forces that threaten the lives of all citizens. We do not approve of holding any type of negotiations with the government or any of the other meddling organizations that exist in the country. The communique is signed by 10 commanders, which concludes with the slogan: Fatherland and Freedom.

* Tablada on Center Group, UNO 'Opposition'

93CA0073A Managua EL SEMANARIO in Spanish No 120, 21-28 Jan 93 pp 17-19

[Interview with National Assembly President Gustavo Tablada by Roberto Cajina and Walter Lacayo Guerra; place and date not given—first paragraph is EL SEMANARIO introduction]

[Text] Now president of the National Assembly, Dr. Gustavo Tablada faces new challenges: investigating his predecessor's abuses, complying with the Supreme Court ruling, maintaining and expanding the precarious majority in parliament, restoring legislative sanity to the Assembly, moving forward with the backlog of work, and creating a parliamentary agenda that is in the national interest. Here is an up-to-the-minute exclusive interview with EL SEMANARIO.

[EL SEMANARIO] (We are speaking of mismanagement, questionable practices, and misuse of National Assembly funds.) Do you have concrete evidence?

[Tablada] The problems we have found from an administrative and to some extent a financial point of view are fairly complex, and as our investigation proceeds, we are finding more anomalies and more difficulties than we will be able to clear up quickly.

The first surprise was that according to the existing accounting records, there was an overdraft in the National Development Bank account of approximately 90,000 cordobas, and of about $25,000 in the Central Bank's account in dollars. One check was made payable to a man named Jose A. Mendieta, and the other was in the name of Angela Najlis, each for $12,500. Both persons are unknown to me. With the BCN [Central Bank] we were able to stop payment on these two checks that were issued in early January. In relation to the 90,000 cordobas, we are talking with the BANADES [National Development Bank] authorities, and they suggested that we close the former account and open a new account, which will mean that all the people who have checks drawn from that account will have to come here—to the National Assembly—to present their check, and so we will be able to review their records and make a decision.

One of our major concerns which we are trying to work out is that normal administrative operations have really been disrupted. At the second meeting we had with the financial department we realized that as the crisis was coming to a head between July and December, basic administrative operating standards were being flouted more and more.

As officials in that department told us, just in November alone almost 2 million cordobas were spent, which, when added to calls abroad and other spending, means that in November an amount equal to or a little more than the funding allocated by the Ministry of Finance for operations for two months was used.

That has created a fairly complex situation for us, so we decided to hire a competent and experienced firm to do a comparative study for us of budget operations during all of 1992, so we will be able to find the major manifestations of anomalies in the budget management.

[EL SEMANARIO] Will the Board of Directors accept the investigation that was about to be done by the Office of the Comptroller General of the Republic?

[Tablada] At the board meeting last Tuesday, we decided—as this is a sensitive case with political implications—not to convey the image that we are acting with premeditation, deceit, and for our own advantage. The analysis and investigation of the handling of funds must be as objective as possible. Consequently, we decided to hire the services of two very well-known, prestigious, and high quality auditing firms to handle this job. One of them is Price Waterhouse, which is internationally known.

[EL SEMANARIO] You said that Guillermo Potoy is tainted by partisan political interests and is under Alfredo Cesar's influence. Have you thought of a new comptroller?

[Tablada] Mr. Potoy created a great deal of uneasiness among Center Group deputies through his attack on them. That has not been forgotten by those deputies, and they still feel quite angry that he attacked them without justification. The Office of the Attorney General later cleared up this problem. Even though there has been no official discussion at any of the Center Group meetings on what action to take, I understand that some people are preparing to present a proposal to investigate Mr. Potoy's behavior, which shows that he is not the right person to continue in this position.

[EL SEMANARIO] Has the board now defined the parliamentary agenda?

[Tablada] Because of the special situation in which we took over responsibility in the National Assembly, we cannot speak of a clearly defined parliamentary agenda, but there are some topics that we must continue to deal

with. First of all, in compliance with the Supreme Court ruling, all the laws passed and all the actions taken in the period from 2 September to 15 December 1992 are null and void.

The board decided that after forming the committees we will look into the Registration Law, which is a top priority. We know that the members of the Supreme Electoral Council—and Dr. Mariano Fiallos Oyanguren personally—are quite concerned about this; they have made commitments to various governments and institutions, and this legal framework must exist.

We also want—and we are going to make this official in the next few days—to invite Antonio Lacayo and the entire economic cabinet to attend the first session and to give us an ample report on the latest steps announced by the government. This would include the reasons, the consequences—the projected national impact these steps may have—and the repercussions...and, in addition, to establish a responsible dialogue with them, to clear up any doubts that may exist. This will help to improve the coordination we intend to promote between the legislative, executive, and other branches of the state powers.

We are gradually putting the parliamentary agenda together. The legal task force is working on a careful review of all the actions approved between 2 September and 15 December, along with bills that were introduced. They will be given an appropriate order of priority, so that there will be no unrest among the institutions and organizations that have presented their documentation, and we will continue to gradually resolve these issues.

We also have to introduce the Labor Code in parliament immediately; a commitment has been made to do that. I understand there is now a joint decision on the labor and justice committees; this was to have been presented in early September, but I do not know if it was actually done.

We also have to remember that the president still has to send us this year's Budget Bill, which is still pending.

It is impossible to try to move forward with a parliamentary agenda when we are facing problems or bills that are only half dealt with. We have to continue to clean up and make corrections until we catch up to date, and then prepare a real parliamentary agenda. We are now proposing a transitional parliamentary agenda so we can work through this backlog.

[EL SEMANARIO] On a number of occasions you have expressed your willingness to talk with UNO [National Opposition Union]. What would be negotiated with UNO, and under what conditions?

[Tablada] We are continuing what we had said during the lobbying period prior to the election of the board. We always said we were going to seek understandings with other sectors of UNO, so that the conflicts in the National Assembly would come to an end, and so that the Center Group might serve as a real center. This also means reaching understandings with an extremist group that might arise. We want the board to be as representative as possible, so that we can avoid conflict and challenges, and so that our administration in the Assembly might start as smoothly as possible, without obstacles of any sort. Unfortunately, that has not happened.

Even so, we believe we should not lose hope that all of this may be resolved, and that we could start some negotiations, based on the recognition that if the board, which is legitimate, authentic, and elected in accordance with the nation's laws, were changed in some way, this would only be a partial change and would be based on a clear and frank recognition of these improved relations.

There are some posts that are not negotiable, like the presidency and the position of first secretary, and they know that; the same thing is true of posts that are controlled by the Sandinist Bench. This negotiation must not be a sort of blackmail, but it should be serious and dignified; if that were to happen and in some way permitted a better understanding, I believe that for the sake of the country's well-being, there would be no further difficulties within the Center Group, and afterwards we would talk with the Sandinist Bench to find solutions for this problem.

Unfortunately, what I have seen so far is that they are locked into a rigid position: nonrecognition of Dona Violeta Barrios de Chamorro as president of the republic. They stated this in the Aguerri Theater, and they shouted it in front of the Assembly building at the end of the 8 January march. They want to deny both her legitimacy and the legitimacy of the board. That is a bad start for any possible negotiations, as we have strengthened the state of law in Nicaragua, the recognition of our institutional system. So far we have not heard of any real proposal on their part, which means that we have had to sit down and do the work ourselves. There has been no serious signal of understanding; still, the Center Group is forming committees; we are moving ahead with the work of the National Assembly, for that cannot be stopped. We are fully taking on our responsibilities.

[EL SEMANARIO] That other sector of UNO—as you call it—has declared itself to be in the opposition.

[Tablada] We have been analyzing their statements saying that UNO is going over to the opposition, and we wonder: Opposing what? The fact that Nicaragua's democratization process is moving ahead? What is going to happen? How are we going to turn history back? After 25 February 1990 a series of changes began to take place in the country, and in one way or another, life in Nicaragua is changing. What are they opposing? What is it that they want, to go back to war, to military service? I really do not understand their "opposition" very well. Instead, it seems to me that it is a somewhat desperate position—and you did mention political irrationality—it is as if they had lost touch with what is going on.

We have had to adapt our behavior to what is contained in UNO's government program, and we are making efforts to achieve maximum compliance with that program as it was originally designed. Does this mean they are going to oppose UNO's program? That is impossible, for they go around saying that the UNO program must be carried out. Nobody knows what they want.

[EL SEMANARIO] They are a minority, but they seem to be acting as if they were in the majority. How do you interpret that attitude?

[Tablada] We have been much more open, but the answer we received from them both before and after the election of the board was a position based on strength. And the visit they made to the president of the Republic on Friday, 15 January was somewhat insolent and disrespectful. They only went to leave a message. The president invited them to talk, and in response they simply walked out of the room, asking Dona Violeta to answer the letter they had presented, thus demonstrating their lack of interest in sitting down to discuss anything seriously. What strength can they feel they have behind them, supporting them? I do not see it; a few months ago they may have thought that Mr. Jesse Helms and the group working with him in the U.S. Senate would back them up, but the situation in the United States is changing now. President Clinton's administration is going to be different, and as we are working politically on the basis of legality and institutionality, I do not think there will be any support from that quarter for their not very reasonable position.

[EL SEMANARIO] The charge d'affaires of the U.S. Embassy in Nicaragua attended the opening session. How should Mr. Godard's presence be interpreted?

[Tablada] Just as a fact, and obviously that is the only way it can be viewed. The fact that the Diplomatic Corps attended virtually en masse is a recognition of legitimacy. I did hear that groups of Latin American ambassadors had decided that if half plus one came to the Opening Session, they would recognize the results of the 9 January elections.

[EL SEMANARIO] The Catholic Church was not represented at that session. How do you interpret its absence? Do you think it signifies disapproval?

[Tablada] It may be that the Catholic church is standing apart from political conflicts, avoiding taking a position either for or against any sector, and perhaps it is showing a little more interest in offering spiritual guidance to human beings. However, I did hear they had not been sent an invitation. I really do not know if they were invited or not; that was up to the Provisional Board.

[EL SEMANARIO] We heard that Cardinal Miguel Obando y Bravo was lobbying some ambassadors, urging them not to attend the session.

[Tablada] Yes, and I also heard that Cardinal Obando had invited some Nicaraguan political leaders and some accredited diplomats for coffee and tea to "exchange views" on the National Assembly situation, but in any event my interpretation is that maybe the Catholic church is trying not to be identified with any of the parties.

[EL SEMANARIO] As president of one branch of the government, you should have relations with all sectors. Have you had no contact with the Catholic hierarchy?

[Tablada] Not yet, because during this first phase I am trying to learn in depth all the details of the National Assembly's administrative operations and to work out guidelines for behavior. But I do plan to visit Cardinal Obando and let him know what we are trying to do and to ask him to keep track of what we are doing, to see how our work is going to benefit the nation as a whole without any special interests. I also plan to do the same with the Diplomatic Corps and other sectors with whom we are interested in talking and exchanging impressions.

[EL SEMANARIO] The two Assembly presidents who preceded you—Dr. Miriam Arguello and Alfredo Cesar—both said that they would make constitutional reforms. When you announced your candidacy, you also said the same thing. What is the future of constitutional reforms?

[Tablada] That was really just a good intention on my part. I did that as a sort of gesture of cooperation, of convergence, and of willingness to start to work on it in a responsible manner, but with the behavior of the other part of UNO it would be a lie to say that we can think of working on constitutional reforms. This is a quite confused and complex situation, and if we are going to undertake a constitutional reform it must be done when the ground has been prepared, in an atmosphere of great tranquility, without threats of any sort, so that the political leaders who form a special committee to deal with this can discuss it with clear vision. The present time—and who knows how much longer this may last—is not conducive to starting an activity like this, so since then I have not again mentioned anything about it because it would not make sense. It would be like trying to plow the sea if we tried to talk of constitutional reforms in such a stormy situation. It is simply not possible to do that because for that we need two things. In the first place, there must be a qualified majority that is not going to vote mechanically, but that will vote in a thoughtful manner, aware of the significance of each reform to be made, and in the second place, this has to be done in two legislatures. This means that we must have carefully prepared a number of conditions, and the situation we now have in Nicaragua does not in any way facilitate such work.

[EL SEMANARIO] What decision has the Board of Directors reached about the deputies from the "other sector of UNO" who hold positions in international parliamentary organizations?

[Tablada] The only case we have seen so far is the case of the Political Commission and the vice presidency of the

Parlatino [Latin American Parliament] a position held by Deputy Luis Sanchez Sancho. I sent a letter to the board discussing this situation, because a dual session is to be held in Mexico, a meeting of the board and of the Political Commission of the Parlatino, and we were told that we should participate. The board has been looking into the situation, and it was felt that we had to take part, but that it was necessary to choose a new delegate, because obviously Luis Sanchez could not represent us, so it was decided that Comandante Leticia Herrera, his alternate, would attend. Then we shall see who will replace Luis Sanchez. We did not elect him; we found him already in that post, but he has behaved with ill intentions, making it seem as if we had appointed Leticia Herrera. This is the only case that has arisen. On the other hand, we are initiating contacts with international groups that are involved with parliamentary work and organizations to introduce ourselves, and we have considered having members of the board visit some of these organizations to begin a closer relationship, which we hope will be better than the relationship with prior administrations.

[EL SEMANARIO] But that does create a difficult situation; this National Assembly with its precarious majority can not allow itself the luxury of sending abroad any commission of two deputies, because in doing so it will lose a quorum....

[Tablada] The board is looking into that, and we will have to establish some mechanism. As the sessions are usually two weeks long, we will try to leave on the night of the last day, use all the time available, and be back for the following session. The commission that will visit parliamentary organizations will consist of a maximum of two members, one from the Center Group and the other from the Sandinist Bench.

[EL SEMANARIO] The property issue is still a current topic, but you did not mention it on the parliamentary agenda....

[Tablada] This property problem must be dealt with and resolved. The UNO government program offers guidelines for that. It has surprised me to see how some UNO deputies have ignored this program's position on the property issue, on campesino settlements on the land. It is quite clear that it was not specified what type of campesino, but only that the campesinos would live on the land that was turned over to them during the Sandinist government, and that their presence on that land would be respected. Then immediately talk began about a number of things, "like the pinata"; statements were made that "as these campesinos are Sandinists they have no right to be there and they must return the land to its former owners," and they even tried to use a mechanism—I do not know what status it was left in because it was passed during the period of illegality of the Assembly—in which it was argued that the campesino's presence on the land would be made conditional upon the land's production capacity, on its yield. Since this is a country which is now beginning a new life after 11 years of war, we are certainly not going to find anyone who is really producing well; so are we going to return everything? That would create a social convulsion that no one could quell. This problem must be dealt with sensibly, with sufficient maturity, and we have to comply with what the government program says, because that was the promise we made to the people.

[EL SEMANARIO] It is said that you—the Center Group—and the Assembly in general are subject to the power of the executive. Is that a correct interpretation of the situation?

[Tablada] The press has somewhat misinterpreted the situation. It is true that UNO's government program has not been put into practice. We want to work in compliance with both the letter and the spirit of this program, which calls for coordination of state powers. For us, this coordination lies in the center, that is, between two extremes; one extreme would be confrontation and the other would be subjection. We do not want the legislative power to be subject to any other state power, but we can seek this coordination in working together, and we are taking steps to do that. We have sent letters to the Supreme Court of Justice, to the Presidency of the Republic, and to the Supreme Electoral Council, suggesting that we hold a joint working session and make some proposals to them, so that we can seek agreements, a rapprochement. We think that the Assembly's health and education committees should not be remote from the Ministry of Health, from the Ministry of Education.

If the executive power has its plans and it is promoting them and taking a position on social issues, we in the legislature have to think about what laws we should pass to achieve a balance among state powers, and also to see how the judiciary may participate in actions of this nature, so we can give society as a whole, and the state, the balance that is essential for the well-being of the nation.

* Bank's Business Loan Program Described

93CA0073B Managua NEGOCIOS (Special Supplement to EL SEMANARIO) in Spanish 28 Jan-4 Feb 93 p 4

[Article: "FNI Has Over $54 Million Available"; first paragraph is introduction]

[Text] Businessmen often complain about the lack of resources to make their dreams a reality. Or about commercial banks' high interest rates. The FNI [Nicaraguan Investment Fund], a state bank designed to finance projects, has various lines of credit available that may make their projects become reality.

The FNI, whose director is Rodolfo Delgado, has a total amount of credit of over $54 million available for businessmen who want to undertake new projects or expand their operations.

The FNI, which has been described as a second-echelon bank (their funds are channeled through the commercial

banks), has a variety of financing programs designed to satisfy demand for financial resources, and it offers favorable interest rates, lower than those available from commercial banks.

The beneficiaries of these programs are companies that export nontraditional products, private sector and joint enterprises (with private funding in the majority), small industries and agribusinesses, as well as midsized and large manufacturing firms.

Both individuals and corporations active in the field of livestock raising, the cooperative sector, and businesses that want to improve machinery and equipment, and even transportation facilities may benefit from their programs.

Despite the lines of credit available through the FNI, many businesses do not use these resources for lack of financial knowledge or expertise. Any commercial bank may provide guidance and advice to investors.

The amounts of credit vary, as do the terms and interest rates. For example, through the Fopex [Export Promotion Program], a businessman may obtain up to $500,000 or more, at the discretion of the FNI.

The maximum term for repayment of this type of loan is five years for a fixed investment and 18 months for working capital. It also includes an 18-month grace period for fixed investments and six months for working capital.

The interest rate is based upon the LIBOR [London Interbank Offered Rate], plus an additional six percent, so it may go up to a little over eight percent a year, which is much better than the 18 and 24 percent rates charged by commercial banks.

The Fopex is one of the FNI's strongest programs. It receives financial and technical support from the government of Sweden through the ASDI [Swedish Agency for International Development]. It also receives support from the government of Norway through NORAD [Norwegian Agency for Development], and from the UNCDF [United Nations Capital Development Fund].

In 1992, with Fopex funds, the FNI approved loans in the amount of $5.9 million for 48 projects for producing melons, onions, sesame, peanuts, and squash. With these resources 3,150 jobs were created during the year, and it is estimated that products valued at $16.5 million may be exported during the 1992-93 season.

Another of its most attractive programs is the Rehabilitation Program for Small Industries, which offers financing of up to $200,000 both for fixed investments and for working capital, with a single interest rate of 15 percent, and terms between 12 and 18 months with grace periods of up to three months.

The Special Fund for Export Promotion (Fepex) is perhaps one of the fund's most attractive programs. These resources are designed for companies in the export sector and may be used to finance fixed investments of up to $1.7 million, working capital of up to $340,000 and preinvestment funding of up to $115,000. The interest rate charged is the LIBOR rate, plus an additional 14 percent. The term allowed for repayment of fixed loans is up to seven years with an 18-month grace period. For working capital loans there is an 18-month maximum repayment term, and four years for preinvestment funds. For the latter the grace period is six months.

The PSEP [Productive Sector Programs] is intended for nontraditional exports, industrial rehabilitation, and agribusiness loans.

Through this program, at the discretion of the FNI the beneficiaries may receive loans from a fund of over $16 million. These loans may be used for fixed investments and for preinvestment funding, for both new and existing companies.

The interest rate is 14 percent, with five-year terms for fixed investment and a one-year grace period. The term for working capital is two years, with a six-month grace period. In all, the FNI now has 10 programs to finance activities in the productive sector, including the PRO-COOPCA [Regional Cooperatives Program], with financing of up to $110,000 and favorable payment terms.

Financing is also available for transportation projects. For this type of project up to 85 percent of the unit to be purchased may be financed, with an interest rate of 16 percent and a five-year term.

In agriculture, the FNI has two programs to benefit Nicaraguan farmers. These are the Coffee Plantation Renovation Program and the Livestock Development Program. The objective of this fund is to renovate 50,000 manzanas of coffee plantations, and it has 143 million cordobas available for farms at an average elevation of 600 meters above sea level.

According to the FNI, the maximum amount that may be financed is 12,150 cordobas per manzana, up to a maximum of 400 manzanas per grower. The payment term is 10 years, with a four-year grace period and an attractive interest rate. The Livestock Program's objective is to reactivate cattle ranches and to protect the environment. The amount available is 118 million cordobas with maximum loan amounts of up to 420,000 cordobas.

The items that may be financed include: the purchase of both dairy and meat livestock, construction and upgrading of facilities, as well as pastureland. Under this program, the FNI may also finance equipment purchases and reforestation programs.

The funds are available; obtaining them is up to the initiative of businessmen.

With technical problems for the development of their projects, the FNI has a pool of consultants who can make recommendations, thus providing advice to their clients.

At this time when the cost of money is quite high, making use of the available FNI funds offers a great opportunity.

Fopex: Job Creation and Exports by Financing Subprograms (in U.S. dollars)

Subprograms	Projects Financed	Amount Approved	Jobs Created (1)	Exports
Squash	5	100,266	78	189,797
Melons	21	2,361,450	1,220	8,478,251
Onions	9	125,053	763	522,000
Sesame	4	1,827,525	159	5,058,200
Other Crops	9	1,506,357	885	2,236,196
Total	48	5,920,651	3,105	16,484,444

(1) Measured in jobs created per year.

Panama

Minister Signs Information Exchange Agreement With Mexico

PA1803154793 Panama City CRITICA LIBRE in Spanish 18 Mar 93 p 33

[Text] Roberto Alfaro, Panamanian commerce and industries minister, and Jose Angel Gurria Trevino, director general of the National Foreign Trade Bank of Mexico, have signed an agreement to exchange information on the supply and demand of Mexican and Panamanian products, bids by public and private organizations, local tariffs, and opportunities to establish joint ventures.

The signing ceremony was attended by His Excellency Jose Ignacio Gutierrez Pita, Mexico's ambassador to Panama; Ricardo Fabrega, Panamanian deputy commerce and industries minister; and high-ranking officials of the Mexican Embassy, the Ministry of Commerce and Industries, and the Panamanian Foreign Trade Institute.

Colon City Protesters Attack Governor's Office

PA1903045793 Panama City Circuito RPC Television in Spanish 2300 GMT 18 Mar 93

[Text] Early in the morning of 18 March there was the possibility of establishing a dialogue among Modesco [Movement of the Colon Province Unemployed], Frasco [Broad Front for the Rescue of Colon], and the Colon Province Governorship. The dialogue could have taken place with the mediation of the Catholic Church, a role Monsignor Carlos Maria Aris accepted.

The possibility vanished when the acting governor did not respond immediately. By 1100, following a small demonstration through the streets of Colon, demonstrators, all of them members of Modesco and Frasco, seized the Colon Province Cathedral after their access to the San Jose Church was closed.

Immediately afterward, the members of the two groups took control of the area surrounding the building housing the governorship. The demonstrators threw rocks at riot police guarding the building. The riot police reacted and, on orders from the governor, fired bird shot at the demonstrators, who then sought refuge in the cathedral.

Later, a truce was secured thanks to the mediation of two priests. In the afternoon, however, some demonstrators took advantage of the fact that only one sergeant was guarding the Governor's Office building and threw fire bombs at it. The governor of the province was in the building at the time of the attack. Demonstrators also threw Molotov cocktails at Social Security branch offices. This created chaos and panic among the persons who were there. Most of the affected people were pregnant women and children. One of the women had to be taken to the Amador Guerrero Hospital.

[Begin Isaura Rosas, acting Colon governor, recording] We are not going to permit Colon turning into a crime-ridden city or permit vandalistic actions that are politically motivated. The law is clear and we are going to implement it. The law speaks of incitement to violence. We are going to implement the law thoroughly and rigorously. [end recording]

The governor characterized the actions against the Social Security installation and against her office as vandalism and ordered the arrest of Felipe Cabezas who, according to her, is free on bail. He has now violated his bail conditions by disrupting public order. She also ordered the arrest of other people on precautionary measure. Uncertainty reigns in this province.

Poll Indicates Panamanians Favor Presence of U.S. Bases

PA1803165593 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Mar 93

[Text] Unemployment and corruption are Panama's main problems. The crime rate will probably not drop. For this reason, minors who perpetrate crimes should be punished as adults. These are some of the findings of a Multispecialty Development Counselors [CID]-Gallup survey conducted in Panama. CID-Gallup is one of the most highly respected public opinion firms in the world.

The survey, conducted from 25 February to 5 March, indicated that the majority of Panamanians polled are disappointed with politics as a result of the poor government and that a majority of those polled do not favor a particular political party. This indecisiveness of political parties increases in direct relation to the academic level of the person polled. The survey, conducted among 1,200 Panamanian citizens 18 years old and over, indicated that if elections were held today, the majority of those polled would not vote for any of the persons on the list of 20 names presented to them.

Of the 20 names mentioned, singer Ruben Blades received the largest number of votes, twice the number received by others, including Mayin Correa, Guillermo Ford, Fernando Manfredo, Ricardo Arias Calderon, and Mireya Moscoso de Gruber. According to the survey, however, Mayor Mayin Correa is the political figure chosen by more people in Panama. She is followed by Blades, Ford, and Manfredo, in that order.

Panamanians appear to think that honesty is the most valuable quality in a future president. A future president should be of lowly origin and he should have professional or political experience. The people mistrust politicians and mention corruption as a very serious local problem. Despite this mistrust, the CID-Gallup survey indicates that the majority of the polled trust civic clubs, bishops, priests, and the United States. Eight of every 10 Panamanians polled think there should be U.S. military bases in Panama after the year 2,000.

This is the eighth and most recent survey conducted by this corporation since 20 December 1989. RPC radio and television and Editora Panama America hold exclusive rights to the surveys conducted by CID-Gallup.

Former President, Dignity Battalion Leaders Face Trial

PA1903011093 Panama City EL PANAMA AMERICA in Spanish 18 Mar 93 p 1

[Report by Eduardo Soto P.]

[Text] Former Panamanian President Manuel Solis Palma and three paramilitary commanders of the disbanded Dignity Battalions will face trial, seven months after the first call for a trial, the Supreme Court of Justice announced on 17 March.

In addition to Solis Palma, who is currently in Venezuela, Benjamin Colamarco, Enrique Thompson, and Arturo Marquinez will be tried for various crimes against domestic and international security in hearings scheduled to begin on 19 May.

The trial will be headed by Judge Damaris de Almengor of the Fourth Penal District Court.

Solis Palma, successor of Eric Arturo Delvalle, who was deposed by General Manuel Noriega; fled the country after the U.S. invasion. Colamarco, Thompson, and Marquinez are currently at the Modelo Jail in Panama.

Colamarco, Thompson, and Marquinez are possible beneficiaries of an amnesty law proposed by the opposition Democratic Revolutionary Party (PRD) in a draft bill presented to the Legislative Assembly, which could be debated before the trial.

The trial against the Dignity Battalion commanders should have taken place on 19 October 1992, but a petition filed by Manuel Solis Palma's defense lawyer (Alternate Attorney General Bolivar Davalos) made it necessary to postpone the trial.

The Judicial Branch gave the state the $50,000 bail paid by Solis Palma as the legal deadline to appear personally to be notified of the 19 October trial expired. In addition, the court ordered his immediate arrest.

Argentina

Menem Attends Commemoration of Israeli Embassy Bombing

PY1803183993 Buenos Aires TELAM in Spanish 1123 GMT 18 Mar 93

[Excerpts] Buenos Aires, 18 Mar (TELAM)—Addressing a commemoration of the attack committed against the Israeli Embassy one year ago in this capital, President Carlos Menem promised his best effort to find those responsible for the attack.

Those who committed the attack "will not go unpunished" he said, condemning the attack "that brought mourning to our nation." He said: "We are surrounding those irrational factions that use terror as a political means."

"As Argentine president it is my duty to uncover all every step in this macabre attack," he said, asking victims and relatives of the dead for "patience, solidarity, and of course, pardon."

The ceremony was held under the slogan "No to Terrorism, Yes to Life." It took place at the bombed Israeli Embassy site, on the crossing of Arroyo and Suipacha Streets, with a massive attendance. The public carried Israeli flags. Two ceremonial flags, one Argentine and one Israeli, were placed on the site.

One year after the attack, it was learned yesterday that Israeli Foreign Minister Shim'on Peres has said that Israel knows who committed the attack.

On hearing this, by express order of President Menem, the Argentine Foreign Ministry requested "further details" from Israel, through Ambassador Yithzak Shefia.

During the ceremony Menem sat between the Israeli ambassador and Ruben Berja, president of the DAIA [Delegation of Argentine-Jewish Associations]. Grand Rabi Salomon Benhamu and Israeli diplomats were also present in the ceremony. [passage omitted]

Ambassador Shefi, who defined himself as "representative of the oldest and most oppressed people in history," said that, "since we were born under oppression," Jews "are used to forging a community that does not permit any of its members to be segregated or treated as anything less than 'people.'" [passage omitted]

Central Bank President Interviewed

PY1903002793 Buenos Aires PAGINA/12 in Spanish 5 Mar 93 p 4

[Interview with Argentine Central Bank President Roque Fernandez by Julio Nudler; place and date not given]

[Excerpts] [Nudler] When you implemented a package of measures in late January you talked about a "financial revolution." But few people became aware of it. Are you disappointed?

[Fernandez] The goal of connecting the domestic with the international system was somehow achieved. For example, this was achieved through the reduction of the spread [preceding word in English] exchange (between the buy and sell rate, from 1 to 0.2 cents) that allows the coming in and out of the system to become much more fluid. We have seen that now: One day we buy dollars; another day we sell them....

[Nudler] Have you reviewed the plan to sell 1 billion [currency not specified]?

[Fernandez] Yes, due to the evidence we have. Last December, after having purchased 1.5 billion [currency not specified], we believed that this excess liquidity would have to be diminished, but something happened. I believe the demand for money remained a bit longer, which allowed for a greater absorption of money by the public. And it happened exactly as we predicted: that the measures would not lead to a "dollarization," but to a strengthening of the peso. We now have evidence that many transactions that were made in dollars in the past now are done in pesos, including in durable goods. For example, payments for automobiles and apartments are being made in pesos. [passage omitted]

[Nudler] What about the creation of the "Credit Rating Center" [Central de Riesgo]?

[Fernandez] We are making progress. We have seen that the individuals who are not paying government banks, companies being liquidated, or provincial banks are average clients in the private financial system. Therefore, the Credit Rating Center will be a large data center that will list the bank credits and the debtors of financial institutions, including the provincial banks. And we will draw up a regulation saying that any entity that grants credit to individuals who have not paid the official banks or who are on the list of uncollectables or in the process of payment or default of the financial system must fully guarantee the operation.

[Nudler] But something similar was implemented in the past....

[Fernandez] Something for the entities in liquidation, which are the ones managed by the Central Bank. Now we will expand to the Bank of the Nation and the provincial banks. The private banks are asking us to do the same with the cases in the process of payment or default; they have to make the system more transparent. [passage omitted]

[Nudler] Does this mean the Credit Rating Center will only identify bad debtors and make their access to credit more difficult?

[Fernandez] Until now, bank portfolios classified the largest debtors because, as a matter of fact, 80 percent of a bank's active assets may be in the hands of some 20 clients. The banks thus analyzed for these clients the way in which credit was concentrated and whether the rules were being complied with. Now we will make everything broader and more open. The new organizational chart enables us to publish the banks' active portfolios (loans).

There is no bank confidentiality for that. We will make all this data available for consultation on the screen.

[Nudler] This means that anyone will be able to learn how much a certain person owes to the financial system....

[Fernandez] Yes, and how much this person owes to each bank. We also will include debts from savings plans and credit cards in the system, which—so far—had not been thought of. We want to prevent people from borrowing small amounts from different sources, thus becoming overindebted and going bankrupt. [passage omitted]

[Nudler] What happened to the Argentine "prime rate" [preceding two words in English] (tax on credit obtained by first line borrowers)?

[Fernandez] We set into motion a mechanism to request the necessary data from the entities. As other countries do, we try to have a pure tax through the prime [preceding word in English], with a minimum amount of risk and using it as a reference index for the market. The prime [preceding word in English] also will prevent us from making the mistake of including the credit processing cost in the interest rate. Based on this reference tax, the banking system clients will be classified, as they already are in the capital market, when they sell shares or Negotiable Obligations papers. [passage omitted]

[Nudler] Will a sort of money market operators' system be installed in New York?

[Fernandez] No, we are not considering the possibility of sending people abroad. We might place a clerk at the National Bank offices in New York or in the financial branch in Washington.

[Nudler] Are you planning to make money by investing the reserves better?

[Fernandez] Yes, but with a methodology that establishes benchmarks to indicate the paths that must be trod. Although it is true that the reserves' profitability could increase, there could also be great losses. Nonetheless, all that will be widely reported. We will not invent anything. We will invest what is already being invested in other places.

[Nudler] Where are the reserves currently being kept?

[Fernandez] They are kept at Federal Reserve headquarters and the Basel Bank, where they yield very low interest—something like 3 percent per year. The reserves will remain there until after the Brady Plan is signed in April. Then we believe we can increase the interest by 1 percent, which, on $10 billion (not counting gold) represents a great deal of money. [passage omitted]

Bolivia

Parties Register for 6 Jun Elections

PY1803235693 La Paz PRESENCIA in Spanish 8 Mar 93 p 1

[Text] Only 90 days before the 6 June general elections will be held, 15 individual political parties and nine others grouped in three alliances yesterday formally registered with the National Electoral Court to run in the elections. In compliance with this requirement, the ADN [Nationalist Democratic Action], the MIR [Movement of the Revolutionary Left], the PDC [Christian Democratic Party], and the FRI [Revolutionary Front of the Left] registered under the "Patriotic Agreement" alliance; while the MNR [Nationalist Revolutionary Movement], the main opposition party, and the MRTKL [Tupaj Katari Revolutionary Movement of Liberation] also registered as an alliance near midnight.

The opposition "United Left," made up of the Bolivian Communist Party, the Movement Toward Socialism, and the PS-1 [Socialist Party One], also registered as an alliance. The Condepa [Conscience of the Fatherland] headed by Carlos Palenque, the UCS [Solidarity Civic Union] of Max Fernandez, and the MBL [Free Bolivia Movement] of Antonio Aranibar, and 10 other parties also registered individually for the elections.

Despite the many parties, political analysts yesterday said the nearly 2 million Bolivian voters will have different options:

The so called "neoliberal bloc" represented by the MNR and the "Patriotic Agreement;" the "populist" bloc represented by the UCS and Condepa; the left, represented by IU and the MBL and other smaller parties; and the so-called "Katarist" parties of indigenous leaning.

Other "new parties" also will run with them, among which the "National Organization of Independents" and the evangelist "Arbol" [Bolivian Renewal Alliance] can be included.

Electoral Court secretary Reynaldo Irigoyen reported that the PST [Socialist Workers Party] registered at 2340 last night. He also reported that the POR [Revolutionary Workers Party] headed by Guillermo Lora criticized the Nationalist Leftist Movement (MIN) and the Bolivian Democratic Party (PDB) because it considers them "deceitful" to the people.

Meanwhile, Electoral Court member Jorge Lazarte yesterday reported that the time for presenting the voting tickets expires today at 1830.

The National Electoral Court then will study all the models to define the color, symbols, and letters the final voting ballot will carry, which must be printed with a 10 percent surplus more than the number of voters to compensate for printing errors and mistakes, according to the Electoral Law.

Lazarte also reported that the registration of all the citizens on the voting lists will begin today, except in the departments of La Paz and Potosi, where the process will begin on 9 or 10 March.

Banzer Denies Involvement in Gen. Torres' Assassination

PY1903013093 La Paz LA RAZON in Spanish 6 Mar 93 pp A8-A9

[Text] General Hugo Banzer Suarez, chief of the ADN [Nationalist Democratic Action] and presidential candidate for the AP [Patriotic Agreement], denied yesterday that he is involved in the assassination of General Juan Jose Torres, and rejected the report that an agreement existed among Latin American dictatorships during his de facto government to assassinate opposition leaders.

Banzer thus minimized the investigation in the book "Secret Dossier" written by U.S. journalist Martin Edwin Anderson, which is due to be published very soon. The book reveals that the 1980 military coup in Bolivia was planned in Argentina by Nazis, Mafia members, and Argentine military chiefs, and that dictatorships from that period were involved in the death of Gen. Juan Jose Torres (in 1976).

Banzer said he has a "clear conscience" and added that during the "dirty war" in Argentina, when Torres was murdered, organizations such as the Montoneros, the Tupamaros, or the Triple A used to commit assassinations on a daily basis and no one could really feel secure.

"No one could feel secure in a country dominated by those types of terrorist activities, violators of human rights, and that event (Torres' death) took place during that period," he said.

The ADN leader said that when Juan Jose Torres' body was found, his government administration insisted that the Argentine Government thoroughly investigate the case.

"Gen. Torres' death caused a very big human impact on me because I knew him very well; I worked with him in the Armed Forces and I always considered him a distinguished officer, but history has placed him under those circumstances and me on the other side," he said.

The former dictator defended military officers from the Rangers Regiment, which is also included in the investigations conducted by the U.S. journalist. He said it is an elite unit and not for kidnappers or assassins.

"Those people are neither capable nor trained to kidnap or assassinate; they are trained for regular war to defend the country, so it is rather impossible to find officers who will accept a dirty mission of that nature, which they would not fulfill, of course, regardless of the order given to them," Banzer said.

In that context, Banzer said the book is a "novel" because, in his opinion, it goes beyond the framework of reality.

Banzer said he owes no explanation to anyone on events during his government because the indictment against him for human rights violation committed during his administration cleared up "many doubts on the matter." He regretted the fact that it was not possible to clear up Gen. Torres' murder.

Brazil

Franco Says Government Admits 'State of Social Emergency'

PY1903000993 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 18 Mar 93

[Live report by Luiz Augusto Mendonca from Planalto Palace]

[Text] President Itamar Franco stated today that Brazil is living under a state of social emergency. The second ministerial meeting headed by President Itamar Franco at Planalto Palace has been going on for more than four hours.

After the statement made by sociologist Alberto de Souza, alias Betinho, on the hunger situation in the country, President Franco decided to take the floor and said the government admits the state of social emergency in Brazil and the fight against hunger and misery now is an absolute priority within his government.

President Franco called upon all society to help the government in its campaign to end hunger in Brazil and gave a 15-day deadline for all ministers to submit plans, projects, and programs in this regard.

Speaking to journalists, sociologist Betinho said the immediate priority is the snack-for-school program. This snack cannot be taken away from children, he said:

[Begin recording] I understand, and for this reason I am saying this, that the struggle against hunger and misery can be defined as an absolute priority only if snacks for schoolchildren are guaranteed. It cannot be said that there is a priority to fight hunger and misery if the snack-for-schoolchildren problem is not solved. These two ideas cannot be conceived in a different manner. What I want to say, then, is that this decision, which is a historic government decision, is a decision by the president before public opinion, before himself, and before ourselves as a man committed to establishing this plan as an absolute priority. [end recording]

President Franco today also signed two decrees establishing a special commission to propose measures to fight hunger, unemployment, and recession. He also nominated the five commission members. The meeting at Planalto Palace will continue as long as necessary. There is no time scheduled for ending the meeting.

Resende Said Willing To Use Securities To Pay Taxes

PY1903003993 Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Mar 93 p 4

[Article By Sonia Mossri]

[Text] Finance Minister Eliseu Resende is willing to use securities guaranteed by the National Treasury to pay off $1.5 billion worth of the government's debt with construction companies. Upon their maturity, these securities may be used to pay taxes. The large construction companies have agreed with the idea because the debt will not be paid in cruzeiros and because the securities can be negotiated on the market.

These construction companies have not been paid for debts contracted by the Collor administration since 30 March 1990. A decree signed by former President Fernando Collor suspended the payment of debts contracted before April 1990. The idea was to pay them with securities like the ones now suggested by Eliseu Resende.

According to research by FOLHA DE SAO PAULO, Eletrobras [Brazilian Electric Power Company Inc.] alone has a $600 million debt with the construction companies. If this is added to the debt of the DNER [National Highway Department] and that of the now defunct Portobras [Brazilian Ports Enterprise], the total amounts to nearly $1.5 billion, including engineering consulting services.

While president of Eletrobras, Resende suggested to the then Finance Minister Paulo Haddad the payment of Eletrobras through the issuance of Eletrobras debentures, backed by the National Treasury. This idea has the approval of Counsel General Jose de Castro Ferreira.

Construction company lobbyists are already discussing with congressmen in Brasilia the scheme Eliseu intends to use. The 1993 budget voting session was the other subject that caught the attention of lobbyists who were discussing the payment of the debt through securities.

Congressional approval is required to use securities to pay taxes. In practice, construction companies could negotiate these debentures on the market and even sell them at a discount to private banks or use them as a guarantee to obtain loans from financial institutions.

A study was conducted during the Collor administration about the total debt with the construction companies that have not reached agreement with the government about the total value of the debt. The construction companies want to increase the value of the debt by applying inflation correction indexes, but this has been disallowed through the several economic plans since the Cruzado Plan in 1986.

Cabinet Discusses Drought, Inflation, Tax on Checks

PY1903030693 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 18 Mar 93

[Excerpts] The emergency plan to fight drought was one of the issues discussed by the cabinet in Planalto Palace today. The ministers also discussed the tax on checks, misery, and the spreading of cholera in the country. President Itamar Franco reaffirmed that the government's first priority is the fight against hunger. [passage omitted]

Finance Minister Eliseu Resende made a diagnosis of the economy by predicting that inflation will not increase. Resende explained the path the Brazilian economy will follow from now on. He made a projection of the budget with and without the IPMF [Provisional Tax on Financial Operations].

The new tax bill is ready but it is up to President Franco to decide. Before making a decision, President Franco wants to know from government leaders if this is the ideal moment to send the bill to Congress.

The last issue discussed in the cabinet meeting was the drought in the northeast. The government's idea is to provide jobs and not give money or food, which is why a plan is being prepared to create jobs.

Police To Use Helicopters To Repress Drug Trafficking

PY1903001193 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 18 Mar 93

[Excerpt] The federal police will use helicopters to repress drug trafficking in the Amazon border region. Within the next few days the police will receive 10 helicopters that will help them to intensify their control of the border areas in the Amazon region. This announcement was made by President Itamar Franco at a meeting with Rondonia Governor Osvaldo Pianna.

The governor took the opportunity to request more aid to control the border with Bolivia. He wants to prevent the state of Rondonia from becoming a point of drug entry in Brazil. [passage omitted]

Correction to Government Said To Expand Enriched Uranium Capability

PY1903141893

The following correction pertains to the item headlined "Government Said To Expand Enriched Uranium Capability," published in the 15 March Latin America DAILY REPORT, page 31: Column two, paragraph seven, sentence one, make read: ...resources amounting to $56 million [figure as received] in the development... (providing editorial note)

Chile

Concessions Made to Bolivia in Trade Negotiations

PY1803132993 Santiago EL MERCURIO in Spanish 26 Feb 93 pp A1, A16

[Excerpt] As a result of negotiations between Chile and Bolivia aimed at signing a bilateral trade agreement within the framework of ALADI [Latin American Integration Association], a list of eight tariff items from Bolivia will enter Chile duty-free, with no reciprocity involved.

This information was made public by Bernard Inch, economic affairs and integration under secretary in the Bolivian Foreign Ministry, who underscored the fact that this measure will enable Bolivia to obtain returns amounting to some $30 million for its exports of agroindustrial, agricultural, and industrial products.

Inch is the head of the Bolivian delegation to Santiago that is negotiating the terms of the trade agreement.

Inch reported that the aim of the negotiations is to reduce Bolivia's trade deficit with Chile, which totals approximately $100 million. He stated that "if we want our trade to expand and our country to become a full-fledged trade partner with Chile, we must gradually reduce the deficit of our trade balance."

He further stated that Chile's exports to Bolivia total approximately $120 million, while Bolivia's exports to Chile amount to only $30 million.

Inch made it clear that the above list is supplementary to the one both countries are negotiating, which includes 100 products from each country that would enter both countries duty-free once the agreement is signed.

He explained that in the case of Bolivia the 100 products under discussion constitute a high percentage of Bolivia's exports to Chile, which include some 186 items, whereas Chile's exports to Bolivia involve 1,200 items.

Inch went on to say that Bolivia's imports from Chile represent 7 percent of the country's total imports, while Chile's exports to Bolivia represent 0.2 percent of its overall exports.

With regard to the foregoing list of eight items, it was leaked from sources near to the negotiating table that it is a "gesture" by the Chilean Government toward Bolivia, in light of the fact that it is a less developed country. This concession is inspired by the principle of "less favored nation [nacion menos favorecida]."

Additionally, it was explained that the list will operate as a system of tariff preferences similar to the one implemented by the United States, Japan, and European countries with regard to their imports from less developed countries.

Asked to comment on the meetings that concluded today, Inch stated that they are the next to last meetings before the signing of the treaty, which is scheduled for the end of April at the meeting of foreign ministers [from Rio Group nations] in Santa Cruz de la Sierra, Bolivia. [passage omitted]

Silva Cimma Remarks on Free Trade Agreements

PY1903030893 Santiago Radio Cooperativa Network in Spanish 2300 GMT 18 Mar 93

[Report by Ernesto Marzall]

[Text] Foreign Minister Enrique Silva Cimma stated that the Chilean Government has launched an aggressive policy to negotiate free trade agreements with several Latin American countries. He added that great strides already have been made in integration efforts with Mexico and Argentina.

Silva Cimma made this statement during a news conference given today at which high-ranking foreign service officials were present.

For example, Silva Cimma said that Chile's good political relations with Argentina have been instrumental in boosting bilateral trade and Chilean investments in Argentina:

[Begin recording] Chile reiterates its commitment to further an integration policy in Latin America, without dismissing the possibility that it may seek other integration agreements with the United States, Canada, the EC, or Pacific Rim countries. As for our integration endeavors in Latin America, we will sign a free trade agreement with Venezuela on 2 April in Santiago. [end recording]

Silva Cimma added that a free trade agreement will be signed with Colombia, and possibly another with Bolivia, on 4 to 5 April during the upcoming meeting of foreign ministers in Santa Cruz de la Sierra, Bolivia.

Silva Cimma Cited on Signed Sea Agreement

PY1803234193 Santiago LA TERCERA DE LA HORA in Spanish 6 Mar 93 p 18

[Article by Patricia Escalona]

[Text] Yesterday evening Foreign Minister Enrique Silva Cimma underlined the importance of the agreements signed with his Peruvian, Ecuadoran, and Colombian counterparts within the Southern Pacific Standing Committee (CPPS) [Comision Permanente del Pacifico Sur] to preserve marine flora and fauna and ecosystems. Silva stated that the foregoing agreements "promote Chile's interests in the Pacific Ocean."

Silva returned from Lima yesterday at 2115 local time aboard a FACh [Chilean Air Force] plane. He had traveled to Lima to attend the fourth meeting of CPPS foreign ministers, which had not been convened for four years at the ministerial level.

Upon being asked what prompted him to attend the meeting now, Silva said the CPPS "is a very important

forum for furthering Chile's maritime interests" and the agreements signed are "most satisfactory."

According to Silva, there was broad consensus among the four foreign ministers on the need to conserve marine species.

The document signed by Colombian Foreign Minister Nohemi Sanin, Peruvian Foreign Minister Oscar de la Puente, Ecuadoran Foreign Minister Diego Paredes, and Silva states that "the committee cannot turn a blind eye to unrestricted deep-sea fishing by foreign fleets." To that effect, it was established that preventive measures must be taken to protect species threatened with extinction.

The foreign ministers reiterated their commitment to protect the marine environment from hazardous substances. Regarding this issue, let us point out that the CPPS has been a useful forum for Chile for lodging complaints about nuclear testing conducted by France in the Moruroa atoll.

The Lima meeting had no sooner ended than Silva returned to Santiago to rest during the weekend before traveling to Montevideo, Uruguay, on 8 March to attend a Rio Group meeting.

'Terrorists' Mark Government's 3d Anniversary With Attack

PY1803233993

[Editorial Report] Santiago EL MERCURIO in Spanish on 12 March carries on pages C1 and C10 an unattributed 750-word article reporting that "terrorists who identified themselves as Manuel Rodriguez Front members knocked down five high-tension towers in the fields of Buin, San Fernando, San Pedro, and Pelequen."

The report adds that a tower near Buin was destroyed "with explosives made up of approximately one kg of ammonium gelignite and 'hidrex,' which is a plastic explosive used in mining."

The report says that "leaflets signed by the Raul Pellegrin commando of the Manuel Rodriguez Front" were left near one of the destroyed towers, the leaflets said that "the attacks were launched to mark the government's third anniversary," and "Carabineros commanders confirmed that the attack was carried out by terrorists from that group."

Lautaro Youth Movement Member Arrested for 'Terrorist' Attacks

PY1903003793 Santiago Radio Chilena Network in Spanish 1700 GMT 18 Mar 93

[Excerpt] Investigative Police have arrested and placed under court jurisdiction a member of the Lautaro Youth Movement who perpetrated various terrorist attacks against Mormon churches and armed assaults on stores.

The individual was identified as Mauricio Antonio Fernandez, 24, a.k.a. Ernesto.

According to 1st Police Precinct [words indistinct], Fernandez was recruited by the Lautaro Movement while he was in high school.

He was first involved in minor criminal activities before heading a group. [passage omitted]

Colombia

Escobar Proposes Conditions for Second Surrender

PA1803154393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 18 Mar 93

[Text] A few hours ago authorities reported receiving a new message from drug trafficker Pablo Escobar. In this new message, Escobar proposes four conditions that will lead to his second surrender to Colombian justice. This message, which was sent through the drug trafficker's lawyers to Bucaramanga Bishop Dario Castrellon and finally to Prosecutor General Gustavo de Greiff, specifies the following requests:

1. That a special kitchen be installed in the Itagui maximum security prison to allow him to prepare his own meals.
2. A private telephone.
3. The paving of a courtyard inside the prison grounds.
4. Absolute safety guarantees for his relatives.

With respect to these requests, Prosecutor General Gustavo de Greiff stated on 17 March in Uraba that these conditions are easy to accommodate because he considers them viable concessions by the Colombian prison system.

[Begin De Greiff recording] These requests are merely observations, opinions on unimportant aspects of the Colombian penitentiary system. I foresee no problems with his getting them. I repeat these are not concessions, merely facilities. I see no problems in a prison having a kitchen, a telephone, or other communication facilities that can be easily monitored. These are basic facilities any prison should have. I see no problems with this. [end recording]

Nine Prosecutor General Sectional Directors Removed From Office

PA1903032893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 19 Mar 93

[Text] Nine of the 23 sectional directors of the Investigative Corps of the Prosecutor General's Office were removed from their posts on 18 March.

The deputy prosecutor general said the changes are due to administrative movements and must not be considered as dismissals due to investigations or irregularities by the officials.

[Begin Deputy Prosecutor General Francisco Sintura recording] The reason is very simple. The changes are due to personnel movements that take place in any

public entity. It is not different for the prosecutor general to appoint and remove some of the personnel that work with him in office.

There is no other reason for the changes. There is no corruption related to the personnel changes at the Prosecutor General's Office. [end recording]

AD/M-19 Leader Navarro Wolff on Peace Process

PA1803223693 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 18 Mar 93

[Interview with Antonio Navarro Wolff, president of the 19 April Movement Democratic Alliance, AD/M-19, by unidentified reporter on 17 March; place not given—recorded]

[Text] [Reporter] Good morning, Mr. Navarro.

[Navarro] Good morning. On 17 March, a spokesperson for the Socialist Renewal Movement [CRS] announced their position, which has been evolving for some months. The CRS initially had differences with the Army of National Liberation, ELN, on the assessment of the Constituent Assembly and the importance of the peace process with the guerrilla organizations. Talks were held with the government with the purpose of establishing preliminary guidelines. After speaking to many people, talks were also held with sectors of the Catholic Church, with diverse sectors on the Atlantic coast, with our companeros of the 19 April Movement Democratic Alliance, AD/M-19, and with intellectuals. This led the AD/M-19 to the conclusion the time was right to undertake a process that would be conducive to attaining peace.

I believe the announcement is very beneficial for a country, such as ours, which has lost hope that peace was possible and thought war was the sole alternative. I think, therefore, this announcement, which does not commit the ELN, but a faction of the ELN—the CRS—indicates negotiated peace is possible in Colombia.

[Reporter] Who are the members of the CRS, how many are there, where have they been active, and what percentage of the ELN do they represent?

[Navarro] The influence of the CRS is centered on the Atlantic coast. I do not know if you recall the merger, which occurred a few years ago, between a sector called Free Fatherland and the ELN. That merger, I believe, was called the ELN Camilist Union. Gabriel Borja is the chief of Free Fatherland, which became part of the ELN after the merger. He is one of the leaders of the CRS. Jacinto Ruiz is another leader and was a public spokesperson for the CRS during this period. He is well known by the ELN and is a politician with intense academic and political experience. I met him many years ago at a meeting with Father Manuel Perez outside of the country. The meeting was attended by Father Perez, Father Clavijo, and Jacinto Ruiz, who is the most renowned spokesperson of the CRS. I cannot say how many guerrillas belong to the CRS. There are several hundreds and their decision to reach peace, I reiterate, indicates clearly that it is possible to negotiate peace.

[Reporter] The government has requested peace gestures, such as a cease-fire and an end to violent actions against civilians and the military. In view of the ELN dissidents, how can you determine if the CRS is engaged in peace negotiations or if war crimes are being carried out by the rest of the ELN?

[Navarro] The CRS and the ELN are different. It is very important to make this clear. Neither the CRS nor anyone else in this country wants to represent the ELN. The ELN is represented through its own structures and process. It is necessary to draw a clear distinction so that there are no difficulties in the process. That is why you should believe in the goodwill of people, such as the CRS members, who say clearly they are willing to engage in a serious peace process. This is the only real opportunity to do so. Obviously, there are regions where they have some influence; other guerrilla groups also operate in those regions, however. It will be very difficult, therefore, to differentiate one thing from another.

This is precisely the problem with the guarantees being discussed, which also represent a procedural problem. How can one verify a cease-fire, how can one protect those who need protection in a war situation, and how can one provide guarantees to local and regional spokespersons so they participate in a negotiation process that could lead to a CRS demobilization?

[Reporter] Dr. Navarro, while you are mediating with ELN dissidents to urge them to rejoin civilian life, it is noted that Monsignor Ruben Dario Castrellon is also making efforts and is willing to speak to Father Manuel Perez. How do you view this process with Msgr. Castrellon as mediator? Would you also be willing to mediate with that ELN faction?

[Navarro] I believe anything that is conducive to peace is good for the country. I believe that, although the public order strategy has partially succeeded in curbing guerrilla activity in the country, I think the desire of either of these factions to win the war is not based on reality. If, as a result of the national situation, a peace process is also opened with the ELN and the Revolutionary Armed Forces of Colombia, it would be very good for Colombia because we could achieve a total and definitive peace that would allow us to change the history of this country. All peace efforts, therefore, have our support because we sincerely believe in peace.

FARC 34th Front Leader Surrenders in Dabeiba

PA1903041493 Paris AFP in Spanish 0318 GMT 19 Mar 93

[Text] Medellin, Colombia, 18 Mar (AFP)—Military spokesmen in Antioquia Department, northeast Colombia, announced that a Revolutionary Armed Forces of Colombia (FARC) guerrilla front commander deserted on 18 March.

He is Argemiro Hurtado Valencia, known in guerrilla circles as "Hugo," head of FARC 34th Front, which operates in the area.

His surrender took place in Dabeiba, 182 km west of Medellin. He surrendered at the Dabeiba police garrison with an AK-47 rifle, five clips, and 129 rounds of ammunition, the source disclosed.

According to the official report, "Hugo" asked the driver of a dump truck traveling between Uramita and Dabeiba to help him flee. He was taken to the Dabeiba police garrison.

It should be recalled that for several weeks the Army and police have been dropping flyers from airplanes and helicopters to persuade the guerrillas to abandon the armed struggle. These flyers serve as a safe conduct for those who wish to surrender to justice.

The guerrillas who abandon the armed struggle are subject to certain legal benefits and civilian life reinsertion programs that are guaranteed by the government.

Financier With Links to Guerrillas Arrested

PA1803223593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Mar 93

[Text] The "National Newscast" learned that Evaristo Porras Ardila was arrested on 17 March because of his possible links with Colombian and Peruvian guerrillas. Porras, who was arrested in Santa Fe de Bogota, is charged apparently with financing activities of the National Guerrilla Coordinating Board and of collaborating with a group from the Shining Path, the Peruvian rebel movement that operates on the Amazon border area.

According to the Office of the Prosecutor General, Porras' arrest was ordered by the Santa Fe de Bogota District Attorney on 12 March. He is charged with terrorism and rebellion.

Porras was first captured in Ecuador in 1989 for the illegal possession of firearms and deported to Colombia. He served one year in a Santa Fe de Bogota prison.

Porras' name was first heard in 1983 when he publicly accused Justice Minister Rodrigo Lara Bonilla, who was later murdered, of receiving narcotics-trafficking monies for financing his political campaign.

Porras is being held at the Judicial Police and Investigations Directorate where he will be interrogated. The Office of the Prosecutor General confirmed Porras will remain in Santa Fe de Bogota while his legal situation is assessed.

* Future Police Antidrug, Guerrilla Strategy Viewed

93WD0379Z Santa Fe de Bogota EL TIEMPO in Spanish 15 Feb 93 p 3A

[Article by Miller Rubio: "1993: Financial War Against Organized Crime"; first paragraph is introduction]

[Text] The Colombian police, after strengthening their Office of International Affairs with the support of the world's major security agencies, will this year attack financial assets of the drug traffic and of guerrilla-related crime abroad.

With support from the FBI, Scotland Yard, DEA [Drug Enforcement Administration], and Interpol, the police are setting up a strategy to control the flow of money abroad from guerrilla-related activities and organized crime.

The program is discussed in a document released by the police this week; the document describes new operational and organizational objectives for the police in 1993.

The report also contains the results of police efforts against outbreaks of violence in Colombia in 1992.

The new program targeted against subversive criminal groups and the drug cartels includes strengthening the Colombian police's OAI [Office of International Affairs] in order to improve the flow of classified information.

The program is based on detailed analyses of movements of illegal money that the police will provide to international agencies, including specific data obtained from intelligence networks.

Projections indicate that this year the police will have an innovative international intelligence program targeted exclusively against the major financial centers that these organizations operate in Europe.

This program will enable the police to use the same tactics to weaken and break up the networks that these organizations use for underground arms trafficking.

The police strategy, says the report, is also designed to increase controls along Colombia's borders in order to neutralize the international traffic in stolen vehicles.

The police hope to bring to court the persons responsible for running organizations involved in heroin and cocaine trafficking; these groups operate primarily in the Valle, Antioquia, and Atlantic Coast areas.

The document states that this objective will be met only by providing sufficient information that may be used by the General Prosecutor's Office when trying drug kingpins.

On organizational issues, the police will strengthen the human rights methodology used elsewhere in the world in order to greatly modify the training system used for Colombian police.

The training program will also include the development of a specialization policy to be implemented this year; it is designed to train investigators for intelligence networks and Criminal Investigation Divisions.

In relation to the Criminal Investigation program, support units from the Prosecutor's Office involved in investigation will be expanded this year; another 51 investigative units will be added, bringing their total number to 240.

These units will have access to the single national archive that will compile information from Indumil [expansion not given], Forensic Medicine, Industry and Commerce, the Banking Association, the Division of Prisons, Civil Aviation, notaries' legal records, Intra [National Transportation Institute], the Land Registration Office, Telecom [National Enterprise for Telecommunications], the General Registration Office, the Prosecution Department, DAS [Administrative Department of Security], the Ministry of Justice, the Office of the Attorney General, and the Office of the Superintendent of Banks.

Results

In 1992 the National Police invested 571,023,990 pesos in improving their intelligence network. Of this 264,660,210 pesos were spent on the acquisition of equipment (binoculars, recorders, microcomputers, cameras, and portable video and audio recorders).

The police invested 145,758,780 pesos in buying equipment for sections of the Criminal Investigation Division (Sijin). This funding was used for the acquisition of scanners, computers, and office equipment.

In 1992 the Criminal Investigation Division investigated 587 cases of terrorism, 438 of extortion, 366 kidnappings, 510 drug trafficking cases, 76 cases of illicit enrichment, 636 cases involving private vigilante groups, and 356 cases of homicide.

Antidrug operations led to the seizure of 28,016 kilos of cocaine, 184,317 of marijuana, 35 of heroin, and 411 of basuco.

On another front, financial operations, 70 bank accounts were frozen and 1.132 billion pesos were seized from drug cartels.

These activities were conducted as part of the Alfil, Saturno, Hielo Verde, and Robledo operations conducted not just in Colombia, but in Europe as well.

In terms of arms control, given the need to disarm the civilian population, last year the police confiscated 17,507 weapons and 144 antipersonnel grenades. They have concluded that the flow of assault weapons like AK-47 and M-15 and of M-72A2 rockets into Colombia is increasing.

Operations against ordinary crime led to the deactivation of 86 explosive devices.

Finally, the document indicates that in the campaign against narcoterrorism, the police have, with the death of the top men of the Medellin Cartel, made significant progress in breaking up its terrorist wing.

New Trends

The investigators indicate that because of operations against the drug cartels and the network of couriers they operate in Colombia, those organizations are beginning to change their tactics for sending drugs abroad.

Last year the police learned of the existence of a new system for transporting cocaine to the United States, using vehicle parts.

The organizations use air messenger companies to send drugs in small auto parts that are sealed by the traffickers.

Concerning the network of "mules" or couriers, the police said that in 1992 they investigated 107 cases involving personal transport of drugs to the European and U.S. markets.

The analysts also said that transporting drugs under the skin is becoming more prevalent, as it is difficult to detect.

The police hope to neutralize this phenomenon by improving the flow of information among the world's major air terminals.

The investigators say that weapons traffickers have changed their method of shipping weapons in parts, and are now bringing in large shipments of arms through the southern part of the country.

Ecuador

Armed Forces Cooperate With Colombia To Fight Crime

PA1903030393 Quito Voz de los Andes in Spanish 2300 GMT 18 Mar 93

[Text] The Armed Forces of Ecuador and Colombia have agreed to cooperate to combat subversion, crime, and drug trafficking in the border area.

An official communique states that the agreement was signed on 17 March in Cali, Colombia, by Ecuadoran Defense Minister General Jose Gallardo and his Colombian counterpart, Rafael Pardo Rueda. The communique states that an evaluation of the measures adopted thus far proved satisfactory and both sides agreed to

increase mechanisms, security measures, and coordination on the border to deal with criminal activities affecting both countries.

Japan Donates $4 Million in Equipment, Machinery

PA1903032693 Quito Voz de los Andes in Spanish 2300 GMT 18 Mar 93

[Text] The Japanese Government has donated an estimated $4 million in equipment and machinery to Ecuador for Pichincha Province. Foreign Minister Diego Paredes and Japanese Ambassador Kiichi Itabashi exchanged the documents that formalized the donation.

The Japanese ambassador said the donation is a symbol of friendship between Japan and Ecuador, which will promote the economic and social development of Pichincha Province.

[Begin Itabashi recording] The plan to provide general aid in the form of donations to Ecuador began in 1991 and the first project, as you all know, was the donation of 28 buses to Quito. The buses were presented at a ceremony on [name indistinct] Avenue on 18 January 1993 and his excellency the president of the Republic honored us with his presence.

The present donation consists of a set of machinery to (?construct) and repair streets in the region and it is worth approximately $4.220 million. It is my sincere hope that the Pichincha Provincial Council will make the best use of the equipment because it is the entity responsible for constructing and maintaining roads within the province. [end recording]

* Dahik Defends Economic Programs, Duran-Ballen

93SM0167A Guayaquil EL UNIVERSO in Spanish 15 Feb 93 p 4

[Article: "Six Months Is Little Time To Correct the Mistakes of Decades"]

[Text] In his opening statement at yesterday's press conference, Ecuador's Vice President Alberto Dahik said that President Sixto Duran-Ballen had received a mandate from the people for a profound transformation of Ecuadoran society, and that this mission from the people was made possible through their realization that for many years things had not been done properly in Ecuador. Now the people have asked for a new style and demanded that we change from an absorbent, paternalistic, interventionist state to a modern state that will open up possibilities of growth and progress.

Before responding to reporters' questions during the press conference, Dahik spoke of development in the industrialized countries, which has taken a long time. He compared their development with the barely six months that the present administration has been in office, and saying that already "we have managed to defeat the pattern of growing inflation, the longest in the country's history, and that is a real achievement, for six months is little time to correct the mistakes of decades."

Real Benefit for Workers

Dahik cited bringing inflation under control as a great success of this administration, one which surpasses any social measure. He recalled that the salary increase in January,**** taking into account the 16th salary, other forms of compensation, made the total earnings of the Ecuadoran worker, for the first time in five years exceed inflation of the past six months, and as a consequence, this brought real salary gains to the Ecuadoran worker in January. "That is a real advance when it is added to the fact that inflation is beginning to be brought under control, as no social measure can be as beneficial as overcoming inflation."

Thirty Percent Inflation Rate

The vice president confirmed the government's intention to reduce inflation this year to 30 percent, but he called attention to the fact that, when evaluating how the government officials are managing to bring inflation under control, a drop in the inflation rate does not mean that prices will go down.

He compared the situation with that of a patient whose fever is reduced from 40 degrees C to 38 degrees. "This is a positive step, even though the patient still has a fever and feels sick, but the patient is certainly much better off by having his fever reduced from 40 degrees to 38 degrees, and not staying at the same high level."

Sixto Is a Leader

Dahik spoke of the leadership abilities of President Sixto Duran-Ballen when answering a question about the supposed lack of leadership that some opposition politicians have attributed to the present administration.

He emphasized that the president's leadership is enhanced by his being a calm man, one who knows where to go, and who possesses the prudence and the judgment to act.

Government To Make Transportation Decision

Dahik also announced that the government will very soon make considerable efforts to resolve Ecuador's serious public transportation problems.

He said that these problems are very complex, as the transportation system is in private hands; they need to seek an option that will retain control of the transportation system by the private sector, so it will not end up like the railways problem.

Streamlining the Public Sector

Dahik disputed the figures on the number of government employees that will have to be laid off in the state modernization program, since the government has still not set any specific figure. What it intends to do is to

streamline the public sector. Its budget bill has been approved and it is now ready to send a Modernization Bill to Congress, which will permit agreements between government employees and the government so that through a voluntary program with fair compensation, government workers may seek employment options that will be more socially productive.

[Guayaquil VISTAZO in Spanish of 4 February on pages 7-10 reports that around 15,000 government employees, of a total of 350,832, have already been dismissed, according to Benjamin Rosales, director of the National Secretariat of Administrative Development (Senda). VISTAZO also cites a draft Senda document that calls for the dismissal of between 25,000 and 30,000 additional government employees.]

Military Industry Is Autonomous

In speaking of the FFAA [Armed Forces] industries, Dahik noted that they receive no money from the state budget, and they work independently. "The defense minister has also said quite categorically that those industries are ready to be privatized and modernized, and to receive capital from potential investors, based on the suitability of such privatization and the needs of the nation.

He praised the attitude of the FFAA industries, which have understood their vital role in modernizing our society and have begun a modernization program as part of the New Direction program proposed by the president.

Petroleum "Insurance" Backed by Government

Dahik defended the step taken by the Monetary Board authorizing the Central Bank to purchase a financial option to guarantee a minimum level of revenue from petroleum sales, thus protecting an international base price.

He emphasized that this option is not insurance, as it has been called, but rather protection for a floor price for petroleum, that will help to guarantee the resources required to sustain a successful economic plan like the one being pursued by the government; it, therefore, has the full backing of the national government.

There Will Be No Package

Dahik emphatically denied that the government is preparing a new package of economic steps prior to signing a new letter of intent with the International Monetary Fund.

"We think things are being fine-tuned in our economy, and that major adjustment packages are not needed," he said. As part of the success generated by the steps taken on 3 September 1992, he spoke of the decline in interest rates of over half a percentage point, and the stability of the exchange rate, which is staying much below the level fixed at 2,000 sucres.

The vice president felt that the actions taken by the administration make it clear that the New Direction is under way.

"The New Direction exists, public finances are being handled differently, and inflation is being defeated," he stated.

He then expressed his hope that this change in direction may soon meet with the support of Congress and that they will pass the bills that are now pending, like the Modernization Law, the Customs Law, "a bill that will clean out the age-old problem of corruption and chaos in customs," and the Stock Market Law.

No Special Interests in Ecuadoran Aviation

Dahik denied accounts that special interests might be involved in the case of the Ecuadoran Aviation company. "The president has asked me to monitor very closely what is happening with Ecuadoran Aviation, and I can assure you that none of what is taking place has anything to do with any special interests on the part of any businessman or company," he stated.

Airports With Private Capital

Speaking about the airports that are planned for Quito and Guayaquil, he noted that the government supports these projects, assuming that they are done with venture capital provided by sources other than the state.

"The state's money must be used for the most urgently needed social projects, such as providing drinking water, sewage systems, and housing, and not for luxury projects," he noted.

There Was No "Man With a Suitcase"

The vice president expressed his conviction that no consciences of government officials were bought at the recent political trial of Minister Andres Barreiro, and he said that the so-called "man with a suitcase" never existed.

"You think that with the number of reporters who hang around Congress there might be some mentally defective person who would bring in a suitcase for people to see it there?" he questioned the reporter who brought up that issue.

Banana Strategy

The vice president expressed his satisfaction about the outcome of the Banana Summit, and said that despite the recent resolutions of the European Economic Community, in the next few months negotiations will continue with the EEC and with GATT, "so that the EEC will realize just how important banana exports are for Ecuador."

Dahik also said he was pleased by the positive results which the trade pact with Colombia has produced so far for Ecuadoran exports.

* Overview of State Modernization Bill Provided

93SM0167B Guayaquil EL UNIVERSO in Spanish 10 Feb 93 p 3

[Article: "Modernization Bill Ready"]

[Text] Quito—The State Modernization Bill is now ready and will be submitted to President Sixto Duran-Ballen today for his review, and will then be sent to the National Congress. This bill was drafted in compliance with the provisions of Article 46 of the State Political Constitution, which covers sectors of the economy.

Article 46 states that some areas of economic activity are reserved for the state:

a) Nonrenewable natural resources and in general, products of the subsoil, and all minerals and substances whose nature differs from the nature of the soil itself.

b) Water, electricity, and telecommunications services.

c) Strategic enterprises, as defined by law.

Scope

According to the bill's first article, which covers its scope, the following shall be subject to the provisions of this law, even while in the process of being transferred to private industry: activities of the public sector and those referred to in Article 46 of the Political Constitution of the Republic; state enterprises or mixed public-private enterprises; autonomous entities which handle public services and the economic activities handled by the state; those whose revenues and expenditures are contained in the Public Sector Budget Law; and those created by sectional legislative action, upon the decision of their appropriate governing bodies.

Also to be covered by this law are the transfer of shares in companies owned by the entities described in the preceding paragraph.

Investment Fund

The document, to which EL UNIVERSO obtained access, states that in order to compensate for any possible social costs which the mechanism provided in the law might occasion, the resources obtained may not be used for current public sector spending, but instead will go into the nation's Investment Fund for Development.

Paraguay

Navy Commander Terms Coup d'Etat Rumors 'Absurd'

PY1803230793 Asuncion ABC COLOR in Spanish 18 Mar 93 p 4

[Text] Following persistent rumors about the postponement of general elections, Vice Admiral Eduardo Gonzalez Petit yesterday categorically stated that "neither the Armed Forces nor anyone else" can change the date of the general elections scheduled for 9 May. The Navy commander defended the presence of military officers at a dinner, held a few days ago at the presidential residence, which was also attended by Colorado Party [National Republican Association, ANR] leaders and the ANR presidential and vice presidential candidates.

Following a ceremony to inaugurate the new potable water system in the town of Coronel Bogado, Itapua Department, which was presided by President Andres Rodriguez, Gonzalez Petit said: "It would be absurd to think of a coup d'etat at this time."

Asked about rumors on the postponement of the general elections, Gonzalez Petit said that it is not up to the military to decide on such matters. He said that the holding of general elections "is a decision of the Paraguayan people."

He added: "A date has been established in compliance with the Constitution and no one—not the Armed Forces nor anyone else—can change it; Elections will be held on 9 May."

Gonzalez Petit categorically denied to journalists that the Armed Forces are plotting a coup d'etat to interrupt the democratic transition process. He said: "If a coup d'etat is being planned, I have not been invited to take part in it."

He said: "I can only speak for the Navy, not for the entire Armed Forces, but I can honestly tell you that I have not heard any serious discussions in the Navy about a coup d'etat."

Asked whether the Armed Forces were concerned about the situation affecting the Colorado Party, Gonzalez Petit said that Armed Forces members try to abstain from internal ANR matters. He said, however, that as an ordinary citizen he has political preferences.

About his attendance of a dinner held on 15 March, he said: "It was not a political meeting, strictly speaking. I was invited to a dinner attended by politicians and military officers. It is not a question of being a military officer or not. I am a military officer, a Paraguayan citizen, and a member of the Colorado Party. As a military officer and a citizen I am entitled to exercise my rights, and any citizen who has the right to vote has the right to political preferences."

President Rodriguez reasserted that elections will be held on 9 May and urged all presidential candidates, particularly the Colorado candidates "to continue carrying out development programs to ensure the wellbeing of the country."

Colorado Party President Resumes Duties

PY1903001393 Asuncion ABC COLOR in Spanish 18 Mar 93 p 2

[Excerpts] Blas N. Riquelme has agreed to resume his duties as Colorado Party [National Republican Association—

ANR] Executive Board president after receiving a vote of confidence from the Colorado Party Executive Board yesterday. The ruling-party politician pledged to "unreservedly" work for the Wasmosy-Seifart presidential ticket. He said the time left for the electoral campaign is enough to achieve a Colorado Party victory in the upcoming general elections. During a regular meeting yesterday, the Colorado Party Executive Board approved the platform that the ANR will present to the public.

The Colorado Party Executive Board sent a special commission to Riquelme's house last night to deliver a resolution, confirming the confidence of the Colorado Party Executive Board in Riquelme as Colorado Party president. In keeping with this resolution, the Colorado Party president agreed to resume his duties and pledged to work for the Wasmosy-Seifart ticket.

Riquelme tendered his "irrevocable" resignation from the post of Colorado Party Executive Board president during a special session on 15 March after he was rebuked by a Colorado Party member at the meeting. [passage omitted]

The Colorado Party president reconsidered his stance because his requirement to resume his duties was met. Speaking at his house to several Colorado Party Executive Board members, Riquelme said he was resuming his duties to resolutely pursue his work for the ruling party. [passage omitted]

Riquelme emphasized the effort needed to convince Argana-Ybanez ticket members who resigned as a consequence of the ANR internal crisis to return to the party's folds and to get everyone to work for the victory of the party at the elections. [passage omitted]

The Colorado Party Executive Board approved the platform that the Colorado Party will present to voters for the 9 May elections. [passage omitted]

In conclusion, the Colorado Party Executive Board rejected the resignation tendered by Arganist members and formed a commission to asking those who tendered their resignation to reconsider their stance and to work for the party. [passage omitted]

Peru

President Visits Jailed Journalist Accused of Terrorism

PA1803171093 Lima Global de Television Network in Spanish 0000 GMT 18 Mar 93

[Text] Journalist Danilo Quijano, who has been in the Miguel Castro Castro Prison for the past 18 months, has received an unexpected visit by President Alberto Fujimori. A faceless judge has initiated an oral trial against Quijano, who has been unjustly accused of terrorism.

President Fujimori arrived at the prison at 1500 with poet Arturo Corcuera, who in recent days sent on behalf of a group of intellectuals an open letter to the chief of state requesting the release of Quijano. Quijano is a journalist and sociologist who works for LA REPUBLICA and who has been in prison for eight months on charges of terrorism.

Before meeting with Quijano, the president visited the 6A Hall where prisoners accused of drug trafficking are confined. He spoke with them and mentioned the possibility of softer sentences for drug users and small-time drug traffickers.

[Begin Fujimori recording] Illegal microdrug trafficking should receive special treatment. [end recording]

After leaving the hall, the president entered an area that used to house the infirmary and the residence of the chaplain. The area now confines inmates found guilty of terrorism. He left this area with Quijano and Corcuera and went to the room where special trials are held.

A faceless court today began analyzing Danilo's case. After speaking for approximately 15 minutes, the two men spoke to the media.

[Begin recording] [Fujimori] I am here in the company of journalist Danilo Quijano, who has been unjustly accused of the crime of terrorism, as I have said on several occasions. As you know, I have been concerned about this situation. In the implementation of the strategy against terrorism, errors are sometimes committed. This has been a regrettable error. The police are very efficient. They are precise. I would say their work is extraordinary. On some occasions errors occur, however. We have lengthy arrest procedures that must be corrected.

[Quijano] I trust in my defense attorney and in my own innocence. I appreciate the support that friends, colleagues, and intellectuals have given me. All of that has given me much strength, adding to the strength that my innocence has always given me. [end recording]

Human Rights Group Releases Figures on Political Violence

PY1903005893 Lima LA REPUBLICA in Spanish 5 Mar 93 p 4

[All figures as published]

[Text] The National Human Rights Coordinating Group has reported that 28,809 people fell victim (dead and missing detainees) to political violence between 1980 and 1992.

The state accounts for 53 percent of this total (12,345 dead and 2,660 missing detainees), the Shining Path accounts for 45 percent of the dead, and the MRTA [Tupac Amaru Revolutionary Movement] accounts for 1 percent of the dead.

In 1992, 3,101 people died in violent actions. About 60 percent were killed in clashes, while 30 percent were killed in cold blood.

In 1992, the Shining Path was responsible for 44 percent of the dead, the forces of order for 42 percent, the

self-defense committees subordinated to the political-military commands for 0.25 percent, paramilitary forces for 0.90 percent, and unidentified sources allegedly linked to security organs for 6.7 percent.

In 1992, 286 people were reported abducted, 178 of whom were subsequently reported missing.

In 1991, the United Nations reported 117 missing detainees.

There were 114 extrajudicial executions in 1992, a figure that surpasses previous years.

The report states that torture—a method that has been systematically used by the military and the police—gained new ground in 1992, being used against legal party members and even against dissident military men.

The report reveals that since 1983, Peru has ranked either at the top or second in the list of countries with the highest number of missing detainees. This information is based on statistics of the United Nations work group on missing people.

Of the 286 cases that local human rights organizations reported in 1992, 178 remain "missing," 50 were found dead, and 58 were either released or placed under the jurisdiction of the courts.

The Attorney General's office registered 242 cases of missing persons.

Almost one half of the cases (120) occurred in Huanuco Department where human rights organizations had no access to information on missing people. The highest numbers were registered in Junin, with 86 cases, Ayacucho, 76, and San Martin, 52.

In Lima, 34 detainees were reported missing in 1992. The Human Rights Coordinating Group states that this reflects remarkable growth compared with the previous year.

Responsibility for almost 90 percent of missing detainees may be attributed to the Armed Forces.

There were 114 extrajudicial executions in 1992, including 50 people who were captured by the forces of order and later found dead.

The 10 or so bodies found in the city of Huancayo between July and September were university students whom the Army had previously registered in a "census." In addition, 44 persons were killed for failing to obey the night vehicle restriction order, while 31 persons were injured in similar incidents.

The report says that torture continues in Peru, adding that it is practiced on the vast majority of detainees and that it is a routine investigation method for all types of crime, especially for detainees charged with terrorist crimes.

The Human Rights Coordinating Group report adds that some 70 cases of torture were reported in 1992, most of them involving people from the center region of Peru.

In Huancayo, the prosecutor for human rights cases reported 39 torture cases in 1992. None of these cases has been investigated.

Army Issues Communique on Deaths of 2 Prisoners

PA1803141793 Lima Global de Television Network in Spanish 0000 GMT 18 Mar 93

["Official Army Communique" issued by the Army Public Relations Office in Lima on 16 March 1993]

[Text] The Army Public Relations Office reports to the people the following:

1. On 9 January at the Angasmarca Antisubversion Base, Santiago de Chuco Province, La Libertad Department, under the command of Army Major Jose Mayor Vasquez, two citizens, Alberto Caliqui Valverde and Rosenda Carvajal, died. The two were under arrest to investigate the possibility of their participation in subversive activities.

2. Investigations by the inspectors department have determined that the two citizens died as a result of the physical mistreatment to which they were subjected. It has been established that Maj. Jose Mayor Vasquez was directly involved in those deaths. The major is now under arrest and will be put at the disposal of a military court.

3. In view of these grave and regrettable actions, the First Army Judicial Zone, with headquarters in Lambayeque, has opened legal proceedings against Army Maj. Jose Mayor Vasquez and others for crimes against life and health, against property, for abuse of authority, and for actions contrary to their functions and honor.

The Army Command has ordered the retirement of this officer as a disciplinary measure.

4. The Army Command reiterates its firm decision to safeguard unrestricted respect for human rights and to follow presidential orders on this matter.

[Issued] Lima, 16 March 1993
[Signed] The Army Public Relations Office

* Arciniega Discusses Army Morale, Fujimori

93SM0168A Lima QUEHACER in Spanish Jan-Feb 93 pp 8-15

[Interview with Retired Peruvian Army General Alberto Arciniega by Raul Gonzalez in Lima; date not given: "The Peruvian Army's Wounds"; first paragraph is QUEHACER introduction]

[Text] On Tuesday 5 January 1993, General Alberto Arciniega took refuge in the Argentine Embassy. The day before, the minister of defense, General Victor Malca, had instituted legal action against him for having made public the reasons why he was placed on retirement status. But not only that: By decision of the Army Command, the former political and military chief of Alto Huallaga and the man who had sat on the military tribunal that sentenced the

Shining Path leader, Abimael Guzman Reynoso, to life in prison, was denied security. In this interview—the last one he has granted to a national news medium—General Arciniega discusses the problems that are distressing the Peruvian Army and that have been exacerbated by the antisubversive struggle and by the manner in which the Army has been converted into the main buttress of Alberto Fujimori's government. Problems that must be addressed and resolved.

[Gonzalez] The struggle against the Shining Path and drug trafficking turned out to be simpler to wage than that in the political arena....

[Arciniega] True. Politics is fraught with subterfuges, praxes, and customs where I have no experience, because since my youth my conduct has always been guided by genuineness. And in politics, it is difficult to find genuineness!

[Gonzalez] Are the military simply not good at politics? Or are we witnessing new conflicts between civilians and the military? In this regard, you have stated that there is no breach whatever between civilians and the military....

[Arciniega] I continue saying it. I never agreed with the slogan that said: "People and the Armed Forces, united we shall win," although I understand why it was being said. I have maintained and continue maintaining that we—the Armed Forces, the Army—we are part of the people, we are the people, bearing arms to defend the people. We are not elected, as the politicians are; we are selected to defend the citizenry. There is no such thing as the people on one side and those in uniform on the other. There exists only the people, and it is within the people that we in uniform are immersed.

And that is what we did in Alto Huallaga. There, the Army troops identified entirely with the people, and we achieved the first objective of the antisubversive war: the confidence, the support of the people. The story of this success is known, and everyone acknowledges it. We succeeded, and together with the people we dealt the subversion a severe blow.

[Gonzalez] General, why were you put on retirement status?

[Arciniega] Because of the position I took on the transfer of the officers who participated in the conspiracy of 13 November to ordinary jails; because I considered that the decree that empowers any judge to order the detention of a military man in an ordinary jail violates all the laws in effect under the Exclusive Military Charter and sets a harmful precedent.

[Gonzalez] That decree had its own specific reason for being. It was issued for the purpose of sending those involved in the events of 13 November to an ordinary jail.

[Arciniega] It was a mistake! The president himself then had to rectify his mistake and order them transferred to a military facility! Those who defaulted in the political management of this problem are the ones who put me on retirement status. They were Vladimiro Montesinos and General Nicolas de Bari Hermoza.

[Gonzalez] But they remained and you did not....

[Arciniega] My conscience is clear. When the problem arose, and the intent emerged to send the officers involved in the events of 13 November to jails for common delinquents, I spoke personally with officials who had access to the High Command, such as the head of the Intelligence Service, General Salazar Monroe, and the commanding general of the Second Military Region, Victor Pizarro Castaneda, to cite just two names.

My arguments were ignored. The intent was to send the military to a jail. It was said that they were creating problems at a military facility. Imagine that argument! If we cannot control 23 officers in a Lima military headquarters facility, what kind of an army are we? I was told that they were creating problems for unit commanders. I responded: "And so as not to create security problems for unit commanders, must we destroy the institutional status of the Armed Forces and police?

My responses upset them, but they were dictated by my conscience.... Besides, the Army has been seriously wounded, and we need a first-rate plastic surgeon to heal that wound, so that no scar remains.... It is a wound that continues to deepen.

[Gonzalez] To what wound are you referring?

[Arciniega] On 13 November, a group of officers participated in a conspiracy—the coup did not take place. They responded loyally to those who had been their commanding officers and whom they have considered qualified leaders—but who are in retirement! They support them....

When officers on active duty support officers in retirement and not their real commanding officers, that poses a definite problem. It is a breach, a wound that must necessarily indicate something to us. And those who are called upon but do not participate report it to me! There is discontent!

[Gonzalez] But that wound, then, did not have its origin on 13 November....

[Arciniega] Our Army has not been through a process of modernization as yet, and the subversion has created new problems. The Army's structure is top-heavy: Too big a head and too small a body, considering the magnitude of the problems needing to be addressed, especially the problem of subversion.

Of the total generals on active duty, only 10 percent or so have been in the emergency zone. And there are junior officers—second lieutenants, first lieutenants, captains—and even majors who have been sent into those zones at least three times. What we have, therefore, is a vast gap between levels of knowledge with respect to no less a problem than that of antisubversive action. If to this we add that an officer with experience in antisubversive action, such as Jose Valdivia Duenas, is not even considered for overall command of antisubversive activity as a whole,

despite his being the head of the Joint Chiefs of Staff of the Armed Forces, the gap widens.... And those who know the problem can hardly be expected to convince a majority whose only experience has been garrison duty.

[Gonzalez] We are heaping advantages on the subversion....

[Arciniega] I believe so. The task of every army in the world is security. The first step in the planning of security is to determine the objective. Our objective is to win the war against subversion. Planning must therefore accord priority to the attainment of this objective, and not with a part of the Army or a part of the other armed institutions, but with all of them, together. But if the Army maintains a structure designed for conventional warfare, without giving antisubversion the place it warrants, but rather approaching it in the manner of firefighters—that is, sending our people in to put out the fires—we have the inception of discontent, of frustrations.

Many junior officers feel abandoned, unappreciated! And not just outside the institution, but by their own commanding officers! That is what many of them have manifested to me. Given this situation, we cannot simply do nothing. And the circumstances currently besetting our institution are exacerbating this problem.

[Gonzalez] Let me postulate a hypothesis: Since 13 November, the Armed Forces have deprioritized antisubversive action and are now according primacy to the political stability of the government.

[Arciniega] Regrettably, I have the same impression. Moreover, when the officers feel they are underpaid and most of them have to moonlight as unregistered taxi drivers, and their wives have to bake cookies for sale by street vendors, there is a crisis. It is endured because one believes in what one is doing, and because there is hope. One hopes things will change.

[Gonzalez] And nothing actually changes....

[Arciniega] Those hopes can be maintained when there is adequate leadership. But when the officers find that there is collusion between the commanding general of the Armed Forces and an adviser to the president, demoralization overtakes many of them. For the commanding general of the Armed Forces to have called and coordinated with the adviser to the president, Montesinos, on the day of the conspiracy, is unacceptable.

[Gonzalez] With whom should he have coordinated?

[Arciniega] With his subordinate commanders. We have a structure. He should have called General Jose Valdivia, who was chief of staff of the Joint Command at the time—which he did not do—and General Robledo, who is chief of staff of the Army.

He did none of that. He absurdly distrusted his own command and sent policemen to capture generals. When subordinates see situations like these, they lose faith in their commanders, and hopes diminish.

[Gonzalez] A complicated panorama....

[Arciniega] And the more so in that, lately, it has been found that loyalty to certain persons and obedience are the prime "qualifications" for the occupancy of important positions. Those virtues were used in remote eras by the Praetorian Guards. I believe in and have always extolled loyalty to Peru and to the Armed Forces, and conscious discipline, meaning discipline based on acceptance of as much of the commanding general's leadership as can be transmitted throughout all levels of command. But if these values are tampered with, problems begin.

Things must be put in their proper places so that each level of command can function properly, but above all, so that the commanding general can trust his immediate officers. If the commanding general cannot trust his chiefs of staff, how can he ask those under him to trust him!

[Gonzalez] You continually assert that you recognize the president of the Republic as the supreme commander of the Armed Forces, and he backs the commanding general and his military adviser....

[Arciniega] The president of the Republic is a very active man and I really respect him as supreme commander of the Armed Forces and for the much good he has done for the nation. His adviser Montesinos, however, who coordinates everything with the commanding general of the Armed Forces, disregards the structures of the military institutions.

An adviser who makes the kind of mistake we are aware of in dealing with the 23 November conspirators, and who invents hoaxes against decent upstanding officers like myself, should be gotten rid of on the spot.

[Gonzalez] Are you referring to what the president said with respect to your being soft in the administration of justice?

[Arciniega] The president was ill-informed. He was referring to the case of INDUMIL—the Military Industries company—in which, in fact, the state was defrauded of $2.3 million. Two officers were sent to us with a request from the Office of the Attorney General that they be imprisoned for eight years. What happened? We could find no evidence. So, we requested the Defense Ministry's attorney to bring suit against a Bolivian firm implicated in the matter, and sentenced the two officers to one year in prison for negligence. That was all.

In this regard, however, let me say two things. The first is that the current defense minister, General Victor Malca, was a member of the board of directors of INDUMIL and he can explain what occurred. The second is that three of us comprised the sentencing board, but I alone have been singled out....

[Gonzalez] According to many observers, you had actually been targeted several years before.

[Arciniega] Why?

[Gonzalez] Let us say it was because of envy of your highly successful handling of the Alto Huallaga situation.

[Arciniega] But the president of the Republic proposed in 1991 that I return to Alto Huallaga, and he did so with full knowledge on the part of General Victor Villanueva, who was then the commanding general of the Armed Forces.

[Gonzalez] The president has stated that he was indeed going to send you to Alto Huallaga, but that he did not do so because the United States opposed it.

[Arciniega] The president is a very busy man and for that reason perhaps does not remember what took place. He indicates that he proposed me, at the highest U.S. Government levels, to be head of the AADA [Autonomous Authority for Alternative Development] in Alto Huallaga. That was in December of 1990, when the decree was issued creating the said organization. The only time he called me to talk about the matter was on 3 August 1991. If there was a U.S. veto and he had been advised of it in December 1990, why did he want to send me there in August of 1991?

[Gonzalez] Why did you not agree to go?

[Arciniega] Because there was no money. I explained the problem to the president and I thought he had understood it. I could not go back to Huallaga without an alternative for the people of the zone—a different ideology from the Shining Path's, yes, but also an opportunity to reorient the zone's production.

My proposal in 1989 had been not to deal with the coca farmers as criminals, and that was agreed to in the Cartagena Declaration of 1990 and in the bilateral agreement we signed with the United States. That position was so correct that even Shining Path was compelled to modify its strategy in October 1990. Seeing that the state was beginning to deal effectively with the problem, and that it was trying to win the coca farmers over to its side, the Shining Path changed its strategy: It fixed the price of basic cocaine paste and prohibited its intermediation.

In 1989, approximately 80 percent of the Huallaga region consisted of coca-plant farmers. The reality today is different: That 80 percent now produces paste! Why did Shining Path make this change? So that the state would have no alternative but to repress and isolate the producers legally. Therefore, our strategy must now be different.

To begin with, it must not be forgotten that the farmer of the region makes paste because it is good business, but also because Shining Path compels him to and the state offers him no alternative. We must approach the problem from the human angle. There have been other changes as well: The central focus is no longer Uchiza but rather Aguaytia....

[Gonzalez] But why did you not accept the appointment?

[Arciniega] Because there was no money and there was nothing to offer! The farmers would have said to me: "I am not a criminal. What am I to do with the coca?" I asked the president: "Do we have the money to give them seeds? Can we get money from international sources to buy them the new products they will need, at least initially?" This was in August. And he replied that $60 million would be forthcoming within 15 days. I told him: "Then, appoint me in 15 days." The commanding general of the Armed Forces, General Pedro Villanueva, knows this. Only thus could I accept the appointment, even though I was not in complete agreement with the idea, because it would have seemed that there were no other generals capable of successfully addressing the Huallaga problem.

[Gonzalez] And what happened in 15 days?

[Arciniega] The offered money never arrived! Never!

[Gonzalez] Let us get back to the Peruvian Armed Forces. For reasons that we all know, it is found replacing the state throughout the country, and so we find soldiers who are professors, male nurses, engineers, etc.... What role can the Army be expected to play in turn-of-the-century Peru?

[Arciniega] Look, I consider that 70 percent of the country's geographical area is not "colonized" by Peruvians. We have not adequately occupied, in the good sense of the word, the country's geographical areas.

[Gonzalez] The nation, as such, does not exist....

[Arciniega] A 92-year-old man of Andahuaylas, who had been deputy prefect for 25 years, told me that when the agrarian reform was instituted he was compelled to abandon his land. With the reform came the disappearance of the powerful landowner as local boss, but also that of the state. What is the problem? The agrarian reform? No. The problem is that no one replaced the state.

[Gonzalez] Failure to replace the state created a void....

[Arciniega] It is this void that the Shining Path takes advantage of to expand. They are deepening that which you term a void. That is the reality. What must we do? Fill that void. That is what the Armed Forces were and are trying to do. The role of the Army must therefore be, now more than ever, that of integrator of the Peruvian nationality.

[Gonzalez] Are you thinking in terms of an Army that will rebuild the social structure, support development, or conquer the territory?

[Arciniega] An Army that will do all those things.... That is why the structure of the institution must change. We cannot continue having its major units deployed along the coast. Subversion has taken us into the mountains, into the jungle, but we must take deeper root there. And the soldiers must be natives of the areas, so that they will take a greater interest in their own surroundings, defend their people, and neither commit abuses nor violate the human rights of the population. We cannot send natives of Lima to coexist with natives of Ashaninka.... We must create secure points throughout the length and breadth of the territory, and use them to support development and integrate the nation.... These are basic ideas, guidelines. The realities have hurled a major challenge that we must face, that we must take up....

[Gonzalez] The political parties also face that challenge....

[Arciniega] The political parties have lost effectiveness. They must reorganize, they must fill the power void that was created in all the remote villages. They face a major challenge that I hope they will surmount, so that they can emerge as options.

Parties and organizations are necessary, and this must also be understood by the president, who is governing the country with unquestionable leadership. A leadership built on his personality as its base. But we all know that when the people are not organized, they can slip, like sand, between one's hands....

[Gonzalez] What is your assessment of Shining Path since the capture of Abimael Guzman?

[Arciniega] I think it has been split apart by the fall of its top leaders. We have advanced considerably and must advance further. For that, we need coherent organizations concerned with winning the battle of subversion definitively.

[Gonzalez] Did you take part in the trial of Guzman?

[Arciniega] Yes, and I am not afraid to say so.

[Gonzalez] Were you hooded?

[Arciniega] Yes, hooded.... Although I do not agree with the idea of faceless judges, because in the end, the only one that does not know the identity of the judges is public opinion. The proper thing is judges without masks but with adequate security.

[Gonzalez] Lastly: If you had to give the president of the Republic three pieces of advice, what would they be?

[Arciniega] The first has to do with the current situation. The errors committed by adviser Montesinos and General De Bari Hermoza disqualify them from continuing in their posts. They are a factor of disunity and malaise. They must be thanked for the services they have provided, because it is my understanding that in their time they have indeed provided meritorious services.

Secondly, I would recommend that he appoint a commanding general of the Armed Forces with knowledge of the antisubversive struggle. It is urgent to have a commanding general whom the officers in their entirety can consider their born leader. When that occurs, we the military are capable of the utmost sacrifices. In the Army, there is mystique and conscience, and we have sworn to give our lives for the nation.

And thirdly, I would tell him to have trust in his Armed Forces, in its officers and the Army's conscious discipline, and not to seek obedience by way of the guillotine.

U.S. Official Watson's Appointment Viewed

PY1803224993

[Editorial Report] Lima EXPRESO in Spanish on 4 March on page A22 carries an unattributed editorial, entitled "Tuning the Focus on Latin America," on the appointment of Alexander Watson as the new U.S. assistant secretary for inter-American affairs.

The editorial says his appointment "will be more than good news for Peruvians who remember him with affection." The editorial adds that the appointment "is or could be a signal of a radical turn in the way the U.S. Democratic administration is focusing its relations on Latin America." The editorial concludes by pointing out that the Clinton administration would give first priority to trade with Latin America, second to democracy, and third to human rights and that "time will tell if these priorities are the original inspiration of Richard Feinberg, White House security council adviser, or if it is the result of his first accidental apprenticeship on Latin America."

Lima EXPRESO in Spanish on 5 March on page A3 carries an unattributed report on comments by President Alberto Fujimori regarding Watson's appointment. Fujimori said: "His appointment will allow us to strengthen and make more fluid our relations with the Bill Clinton administration." Fujimori added that with Watson, Peru probably will have more direct contact with top government levels in Washington because "Watson has a wide and profound knowledge of the Peruvian people, and this is why we will have a more fluid relationship."

Lima EXPRESO in Spanish on 5 March on page A2 carries an article by Manuel D'ornellas entitled "It Is Only a Relief" on Watson's appointment. The article says Clinton's decision is positive for Peru and for Latin America in general. Having a diplomat as assistant secretary for inter-American affairs is a specific advantage for Peru after experiencing the influence of "amateurs," and this is why it is a good thing that the proposal to appoint Cuban Mario Baeza did not occur.

But D'ornellas emphasizes that "Watson will have to try to have his pragmatic points of view prevail over the ideological considerations of Richard Feinberg, who is in charge of drawing up the hemispheric policy in the powerful National Security Council in the White House." D'ornellas concludes by saying "Watson's appointment is a relief, but it probably will not change the basic U.S. outlook toward Peru and our region. A tense and difficult period has begun."

Lima LA REPUBLICA in Spanish on 7 March on page 3 carries an unattributed article on reaction from Jaime Yoshiyama, president of the Peruvian Democratic Constituent Congress, to Watson's appointment.

Yoshiyama, who met reporters to deny human right violations by the government, said: "The Peruvian Government was pleased with Watson's appointment because he is a friend of Peru, he knows our country well because he was U.S. ambassador here during the Alan Garcia administration, and he knows the country's possibilities of coming out of the crisis."

Congressman, Union Representative on IMF Eligibility

PA1803220393 Lima Radio Programas del Peru Network in Spanish 1700 GMT 18 Mar 93

[Report by Eduardo Lindo]

[Text] We will now hear comments by Independent Moralization Front [FIM] Congressman Carlos Cuaresma and Frenatraca [National Front of Workers and Peasants] representative Carlos Caceres Velazquez on Peru again becoming eligible to receive IMF loans.

[Begin Caceres recording] I am quite pleased with this news. I believe it is a very important step in the right direction. It was time this came about, and the hardships that all Peruvians have experienced must now be reverted. We must all unselfishly congratulate ourselves because it has not only been a victory for the majority but also of a small minority who insisted on Peru's need to return to the international financial community. [end recording]

[Begin Cuaresma recording] The fact that we have been separated from the IMF for so many years has simply meant hard times for all of us. There is no work, and the Peruvian people are experiencing difficult times. Now, with the good news we have just received, I believe we can receive investments not only from European countries but also from Asian countries. [end recording]

Uruguay

Economy Minister on Salary Increase, Fiscal Control

PY1803134193 Madrid EFE in Spanish 0134 GMT 18 Mar 93

[Text] Montevideo, 17 Mar (EFE)—Uruguayan Economy Minister Ignacio de Posadas announced 17 March salary increases from 7 to 9 percent for employees and a number of fiscal control measures to curb inflation, which in two months of 1993 reached 7.63 percent.

De Posadas said during a news conference that a fixed amount will be granted for all employees from the central administration, so as to have a minimum monthly income of 1,000 pesos ($270).

De Posadas explained further that within the public expenditure adjustment program, a number of government collateral services will be privatized and others will be merged. Thus some 7,000 officials will have access to "retirement incentives" through which those who resign their posts will be awarded a sum equal to 12 or more times their salaries.

Among the 17 measures adopted to reduce public expenditures, the minister cited the sale of state properties that are not essential for the functioning of the administration and an incentive for private companies that hire officials who resign from their posts.

These companies will be awarded with a reduction in contributions to social security.

The minister added that the government, within its new fiscal adjustment measures, will reduce the compulsory retirement age for state workers and that two out of every three vacancies created will not be filled with new public employee appointments.

He said there will be a true reduction in combatant troops in the Armed Forces and that several diplomatic and consular missions will be closed within a program for cost savings in the foreign service.

A number of peripheral activities being developed by the state will be transferred to private hands, including the cargo service at the airports, de Posadas stated.

The minister announced a broad restructuring of health services and the transfer of public hospitals to autonomous municipalities and private societies.

De Posadas has confidence that the measures to reduce public expenditures will help fight inflation as a better fiscal balance is achieved.

*** Bankers, Economists on 1993 Economic Forecast**

*** Exchange, Interest Rates**

93SM0159A Montevideo BUSQUEDA in Spanish 4 Feb 93 p 48

[Article: "Private Banks Anticipate 48-Percent Inflation and 36-Percent Devaluation in 1993"]

[Text] *A BUSQUEDA poll of 14 top executives in the world of finance shows that preferential lending rates will be between 57 and 59 percent and that the Libor will rise to over 4 percent.*

Private Uruguayan banks estimate that on the average, inflation will exceed 48 percent in 1993 and that the dollar exchange rate will increase 36 percent over the year. Lending rates are therefore expected to continue to be positive in real terms, while borrowing rates will follow a trend similar to that of inflation.

These are the conclusions that emerge from a BUSQUEDA poll conducted of high-level executives from 14 of the 22 private banks who were asked about the forecasts their institutions use for seven financial variables on 30 June and 31 December 1993 (see table).

These variables are: the exchange rate of the dollar in new pesos and marks; the preferential lending rate for preferred clients in new pesos; the borrowing rate for 180-day deposits; the 63-day Treasury bill rate in new pesos; the 180-day Libor rate; and inflation.

Official Goals Would Not Be Met

The banks agree with the government's prediction that inflation will follow a downward trend, although they do not expect it to reach the official goal of 30 percent. They also foresee an accumulative 12-month figure of 50.41 percent at the end of the first six months and 48.43 percent for the year

as a whole. Nevertheless, four of the financial institutions surveyed believe inflation will follow an upward trend and predict that on the average it will reach 50 percent in June and 55 percent by December.

Dollar and Rates

The bankers' greatest difficulty was predicting the four rates requested and two chose not to venture any guess. Four other executives adopted a similar attitude with respect to the dollar exchange rate in German marks, arguing that they do not yet have enough information on American President Bill Clinton's economic policy to predict the behavior of the American currency.

On the average, the dollar is expected to be worth 4,026 pesos by the end of the first six months and 4,724 on 31 December. This presumes an anticipated "point-to-point" devaluation of roughly 36 percent during the year.

Economic authorities were not officially explicit about how they expected the new peso to react to the American currency. However, it can be deduced from the economic goals for the current year that the devaluation would be 2 percent a month during the first quarter and somewhat less over the following months if the drop in inflation is confirmed. This would put the anticipated devaluation at 25 percent for the entire year.

In the meantime, the executives expect a rising preferential lending rate of 57.8 percent in June and 59.1 percent in December.

They think the borrowing rate they will offer depositors will be between 44.6 and 46.4 percent for each of the dates cited.

The bankers anticipate that the Central Bank will set the Treasury bill rate at 47.3 and 48.5 percent on those same dates.

At the same time, they expect an increase in the Libor rate from the current 3.44 percent to about 3.7558 percent by 30 June and 4.1027 by the end of the year. Nevertheless, there is considerable variation on this point, proof of the difficulties that those consulted encountered in predicting this international variable based on information available.

Bank Predictions for 1993

Variables Requested	Average	Maximum	Minimum
On 30 June 1993			
Dollar in new pesos	4,026	4,200	3,919
Dollar in marks	1.62	1.70	1.55
Inflation past 12 months	50.41	53.00	43.00
Preferential lending rate new pesos (%)	57.8	70.0	46.6
180-day lending rate in new pesos (%)	44.6	55.0	38.0
63-day Treasury bill rate in new pesos (%)	47.3	63.0	39.0
180-day Libor rate in /US$ (%)	3.7558	4.0	3.5
On 31 December 1993			
Dollar in new pesos	4,724	5,250	4,413
Dollar in marks	1.66	1.90	1.50
Inflation past 12 months	48.43	59.00	35.00
Preferential lending rate new pesos (%)	59.1	85.0	45.0
180-day borrowing rate in new pesos (%)	46.4	70.0	30.0
63-day Treasury bill rate in new pesos (%)	48.5	65.0	33.0
180-day Libor rate in US$ (%)	4.1027	5.0	3.75

* Inflation, Deficit

93SM0159B Montevideo BUSQUEDA in Spanish 4 Feb 93 p 48

[Article: "Economists Agree That the Argentine Situation Will Be Decisive for the Local Economy This Year"]

[Text] Inflation and fiscal balance, concepts that have pounded in the heads of Uruguayans with special intensity this past year, have become unavoidable reference points in the predictions of economic agents in 1993. In addition, economists from diverse academic and political backgrounds give figures higher than those anticipated by the government, which planned for a zero deficit and 30-percent inflation.

If the experts agree on any one thing in terms of the immediate future, it is that changes in the Argentine situation will be decisive for the Uruguayan economy. Destabilization, a deeper recession in that neighboring country, or the end of the "convertibility" of the dollar as contained in the so-called Cavallo Plan will have a negative impact on Uruguay.

The majority of the economists consulted by BUSQUEDA anticipate a deficit of about 1.5 to 2 percent of the GDP and inflation on the order of 45 to 50 percent.

Nationalist economist Mario Bucheli estimated the deficit at about 1.5 percent of the GDP and said that inflation "will be lower than last year." However, he ventured no percentage. He observed that this year, "the deficit in the current balance of payments may have an inflationary effect." He put the figure at about $200 million, "given the heavy deficit in the commercial balance of some $400 million."

For his part, Fernando Antia, from the School of Economics' Institute of Economics, estimated inflation at about 45 percent in 1993 and a fiscal deficit of 2 percent of the GDP. "If a change occurs in Argentina—perhaps after the September elections—it may be necessary to accelerate the devaluatory rate, which could exceed the variation in internal prices and, as a result of costs and expectations, impact inflation," he said.

Ariel Davrieux, former director of the OPP [Office of Planning and Budget] in the Sanguinetti Administration, thought the government's goals are "good," but "difficult" to achieve. "Inflation will apparently be a bit higher—between 40 and 60 percent—and there may be a fiscal deficit of between 1.5 and 2 percent of the GDP. All of this will depend to a great extent on the situation in Argentina," he said.

Radical Batlleismo economist Alberto Bension said he "was not yet in a position to make projections on solid foundations for the 1993 economic year." However, he added that "there is in principle a certain contradiction between some of the main goals announced by the government, which does not want to have a new increase in BCU [Central Bank of Uruguay] reserves and which pursues, at one and the same time, a fiscal balance and a goal of 30-percent inflation." "While the first two objectives are possible, the goal set for inflation no later than the second quarter of the year should be that of international inflation," he advised.

At the same time, Juan Manuel Rodriguez, economic adviser for the PIT-CNT [Interunion Workers Assembly-National Convention of Workers], claimed "the government does not think the deficit will be zero and inflation 30 percent" and that this announcement obeys "other factors." For his part, he believes "the fiscal deficit will exceed 2 percent and that it will be difficult for inflation to dip below 50 percent." "It will probably be between 45 and 50 percent," he said, and there is a "factor of unpredictability: what goes on in the regional economy."

For Colorado economist Luis Faroppa, the official goals "mean continuing to apply the current gradualist policy of a progressive reduction in rates of devaluation and inflation until prices are stable." He noted that this possibility "will face serious difficulties due to a possible decline in external factors that had a favorable impact in 1992, the deterioration in the fiscal situation, and the emergence of uncertainties that could dampen entreprenurial energy." He thought the deficit would be on the order of 22.25 percent of the GDP and that "it will be impossible" for inflation "to remain at 30 percent without the intervention of external factors countering negative aspects domestically." "It will have to be around 40 to 45 percent," he predicted.

Finally, Walter Cancela, former director of the Latin American Center for Human Economics (CLAEH), predicted that the fiscal deficit will remain at about 1 percent of the GDP and that inflation "will not go under 45 percent."